

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

London, Thursday, July 7, 1994

No. 34,634



President Bill Clinton, escorted by President Guntis Ulmanis, arriving in Riga, Latvia, on Wednesday in the first visit ever by a U.S. chief executive to that independent Baltic land.

Rabin and Arafat Move To Widen Autonomy

In Paris, Leaders Open Negotiations About Further West Bank Self-Rule

By William Drozdiak

PARIS — Israeli Prime Minister Yitzhak Rabin and the PLO chairman, Yasser Arafat, launched a new and critical phase of the Wednesday on autonomy for other areas of the West Bank and the fate of Palestinian refugees and 7,000 prisoners languishing in Israeli detention centers.

In the wake of Mr. Arafat's triumphant return to Gaza and the West Bank town of Jericho, where Palestinian self-rule is now established, the leaders of Israel and the Palestine Liberation Organization met here to receive a United Nations peace prize and to embark on what they both described as a decisive period in their budding partnership.

But while Mr. Rabin urged that "peace must be built slowly, step-by-step," Mr. Arafat injected a note of urgency into the relationship. In a speech, he said that progress has not moved fast enough in recent months to surmount opponents of reconciliation. He insisted that it was necessary to make early progress toward solving even the most perplexing issues, such as the future of refugees, borders and the final status of Jerusalem.

Mr. Arafat described as "positive, fruitful" a two-hour meeting that he held in the afternoon with Mr. Rabin and the Israeli foreign minister, Shimon Peres, to set forth the agenda in the next stage of the peace process. "A fresh impulse was given to peace," Mr. Arafat told reporters. "We

agreed on some major issues and some other issues will require more discussions."

In a separate press conference, Mr. Rabin said they had agreed to establish three committees to discuss:

- Outstanding issues in the transfer of power to Palestinians in the Gaza Strip and Jericho.

- The prospect of expanding civilian administration to Palestinian towns in the rest of the West Bank.

- Preparations for a conference with Egypt and Jordan on the destiny of Palestinian refugees in the diaspora.

The Gaza-Jericho phase was hailed by Mr. Rabin as completely successful, but the subsequent issues may soon pose serious challenges for his government and explain Mr. Rabin's caution.

As more land is turned over to control of the Palestinians, the Israelis will be forced to make excruciating decisions about the deployment of military occupation forces and their role in protecting more than 100,000 Israeli settlers in the West Bank.

In contrast to Mr. Arafat's hurry-up call to subdue skepticism among many Palestinians, Mr. Rabin counseled prudence and caution for the peace process. "One has to be patient," he said. "You cannot solve a conflict of 100 years in one month, two months or even six months."

In his speech later before receiving the \$150,000 Félix Houphouët-Boigny Peace Prize along with Mr. Arafat and Mr. Peres, See PEACE, Page 4

Bonn Wants a Piece of Asia Trade

By Tom Buerkle

The German government has begun a concerted effort to turn Europe's focus toward Asia in order to benefit from the world's most economically dynamic region and to dispel Oriental fears of European protectionism, German and European officials said.

Bonn's policy, highlighted by the visit of Prime Minister Li Peng of China this week, puts the accent on deal-making instead of human rights, and aims to cast Europe as a less confrontational economic partner than the United States, officials said.

The Asian region "will remain one of the real powerhouses of growth and economic dynamism for quite some time to come," said Lorenz Schomeros, the se-

nior trade official in the Economics Ministry in Bonn. That dynamism holds the key to Europe's efforts to reduce its record unemployment rate of 11 percent, he said.

"We cannot attack these problems unless we accept cooperation with and competition from those Asian countries," he said.

In an unusually pointed rebuke, Economics Minister Günther Rexrodt criticized U.S. policy toward Japan as "maladroit" Wednesday and blamed Washington's tough tactics for the recent collapse in the dollar against the yen.

The German push is welcomed in most European Union countries, which recognize the need for a greater presence in Asia and fear falling behind the United States in the region.

In many respects the effort remains

more symbolism than substance, officials say.

Divisions between EU member states are blocking efforts to ease quotas on certain Chinese imports and to draft a new trade accord with the Association of South East Asian Nations, while Japan's political turmoil has delayed yet again a package of deregulation measures eagerly awaited by EU officials.

A spokesman for the European Commission in Brussels said Wednesday that the latest deregulation proposals from Tokyo last week were disappointing.

He expressed concern that the new government of Prime Minister Tomiichi Murayama does not plan to present a comprehensive package of deregulation measures until March, nine months later.

See GERMANY, Page 4

U.S. Will Give Taiwan Leeway On Contacts

By Jim Mann

WASHINGTON — The Clinton administration is preparing policy changes that will give the government of Taiwan greater leeway in dealing with the United States than it has had for 15 years, administration officials say.

The changes, which await final approval by President Bill Clinton and could be announced in the next couple of weeks, would ease some restrictions imposed on Taiwan when the United States established diplomatic relations with its enemy, China.

The Taiwan government, meantime, has issued a "white paper" outlining its strategy toward China. (Page 5)

A Clinton administration official said that some of the procedures for dealing with Taiwan "have become anachronistic." He added, "The basic thrust of what we will do is to re-establish U.S. interests as the basis for relations with both Taiwan and China. What we're trying to do is establish some principles and a position we can use with both sides."

The administration's primary goal is to make it easier to conduct business with Taiwan, which is now the United States' fifth-largest trading partner and has more than \$80 billion in foreign exchange reserves, second in the world behind Japan.

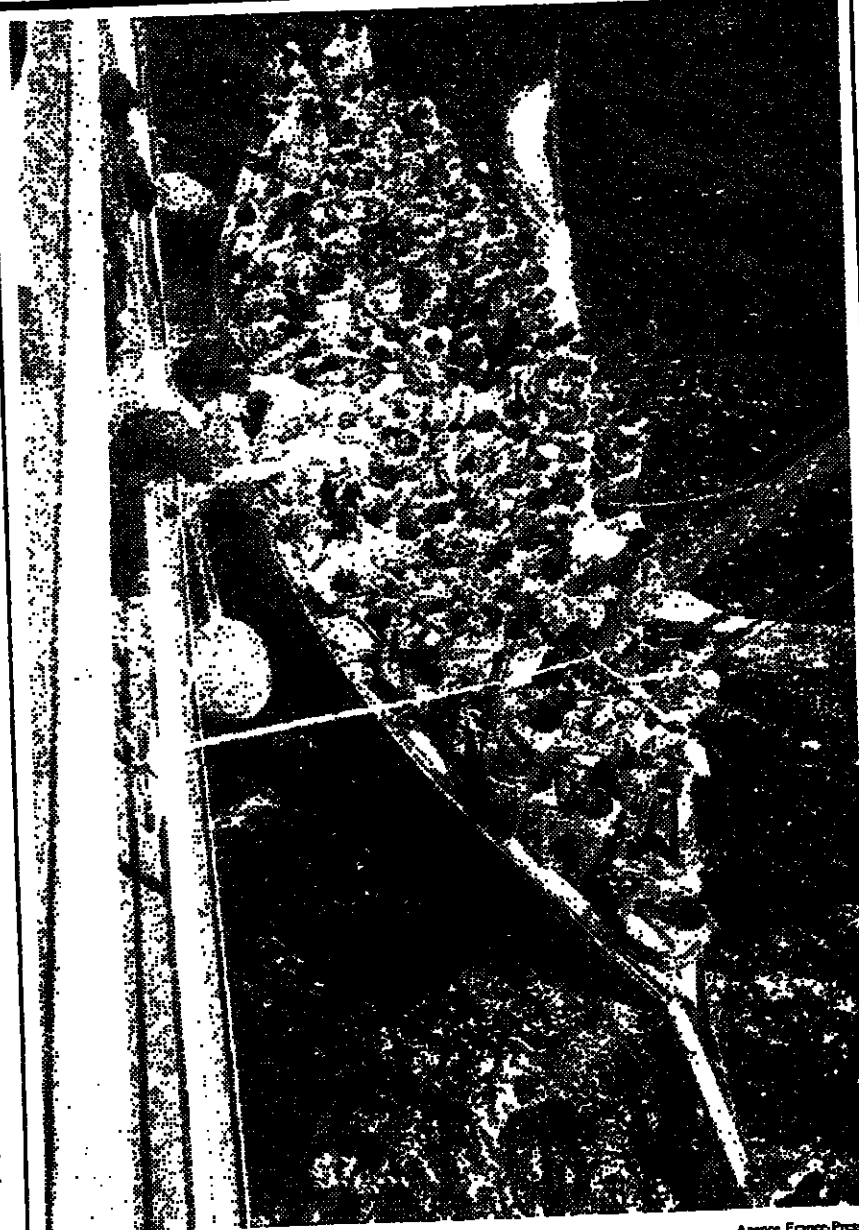
Administration officials acknowledge that they have held up the proposed changes to see if they could minimize the fallout from China, which still considers Taiwan a renegade province.

"There is still some concern here about how the Chinese will react," admitted a U.S. official. "They're not happy with what they've heard."

Among the changes being proposed are:

- Permitting some U.S. cabinet officials to visit Taiwan and some Taiwan cabinet members to visit the United States. AI-

See TAIWAN, Page 4



RESCUE MISSION — A U.S. cutter pulling alongside a vessel jammed with Haitians moments before it capsized. Meanwhile, the United States sent four naval vessels and 2,000 Marines to the waters off Haiti. Page 5.

Clinton Urges Fast Pullout By Russia From Baltics

In First Such U.S. Visit, He Also Asks Tolerance Of Civilians Who Stay

By Thomas L. Friedman

RIGA, Latvia — President Bill Clinton told a crowd of 35,000 Latvians gathered in Riga's central square Wednesday that he would rejoice with them when the Russian troops completed their withdrawal from the Baltics by the end of summer.

But he also appealed to the Latvians to show more tolerance to the Russian civilians and retired military officers who want to continue living among them.

The Latvians — like their Baltic neighbors, the Estonians and Lithuanians — are putting heavy restrictions on citizenship for the roughly 800,000 ethnic Russians who have settled in their midst, alongside 1.2 million native Latvians.

The Baltic peoples share a deep resentment of the Russians, after nearly five decades of being occupied by them and stripped of their independence.

In response, the Russians have been dragging their feet about withdrawing their troops from Estonia — the one Baltic state that still has no withdrawal agreement with Moscow — and have made threatening noises about "protecting" their citizens in the Baltic nations.

In his address under the "Fatherland and Freedom" monument, built in 1934 during the brief interwar period when Latvia was independent, Mr. Clinton said:

"As you return to Europe's fold, we will stand with you. We will help you. We will help you restore your land. And we will help you with you when the last of the foreign troops vanish from your homelands. We will be partners so that your nation can forever be free."

Many Latvians fear that independence is fragile, and that if Russian residents were enfranchised, they would try to bring the country back into the Russian fold.

Clustered in one central spot in the crowd were placards such as: "Occupiers and Colonizers Should Return Home" and "The Russians Invade Latvia to Destroy the Latvian Nation."

President Clinton flew from Washington directly to Riga and spent the day meeting with the leaders of Latvia, Lithuania and Estonia, before addressing the crowd in Freedom Square.

From Riga, he flew to Warsaw, where he dined with President Lech Walesa. On Thursday he moves on to Naples for the Group of Seven summit meeting.

Throughout the past year, Mr. Clinton has been quietly trying to help President Boris N. Yeltsin of Russia and the Baltic leaders work out arrangements for the withdrawal of Russian troops by the end of August.

The implicit payoff is that the Baltic states will allow Russian officers who have resided in their territories for a long time, and ethnic Russians who have lived there for generations, to obtain citizenship.

On Tuesday, before flying to Riga, Mr. Clinton telephoned Mr. Yeltsin to brief him on what he would be doing — to avoid any misunderstanding — during his visit to Latvia.

A senior official said the Russian president wanted Mr. Clinton that he very much wanted to withdraw his 2,500 troops left in Estonia by the end of August, but he

See CLINTON, Page 4

Map of Bosnia: 'Moral Bridge' Is Abandoned

By Roger Cohen

GENEVA — In drafting and backing a new map for a territorial settlement in Bosnia, the Clinton administration has taken an extraordinary step: It has formally backed the handover to Serbs of towns

NEWS ANALYSIS

in which tens of thousands of Muslim civilians were killed, put in prison camps or evicted.

The map, a copy of which was shown to The New York Times, was formally handed to the Muslim-led Bosnian government and the Bosnian Serbs on Wednesday, and they were given until July 19 to respond.

The plan amounts to an attempt at compromise but also to an unusual moral leap for the American government and a map of the distance traveled by President Bill Clinton since he denounced Serbian acts of "genocide" and called for decisive U.S. action in Bosnia when he was a Democratic candidate.

Among the towns to remain in Serbian hands is Prijedor, in northwestern Bosnia, a place in which a United Nations commission on war crimes last month estimated that 52,811 people, mainly Muslims, had been driven from their homes or killed by the Serbs.

These acts, the commission said, qualified as "a crime against humanity" and

See BOSNIA, Page 4

Kiosk

11 Die in Attack In South Africa

JOHANNESBURG (AP) — Gunmen opened fire Wednesday on vehicles on a road south of Johannesburg, killing 11 people and wounding 11 in what police called a "strategically planned" attack.

The police said about 10 people fired from the roadside, hitting five taxis and three cars.

The police said the attack appeared to be part of a taxi war involving rival drivers. They said a driver for a Zulu taxi operator was killed in the area earlier this week.

Book Review Page 8.
Bridge Page 8.
Crossword Page 19.
Weather Page 20.

Dow Jones		Trib Index	
Up	22.02	Down	0.38%
New York	3874.80		111.48
The Dollar			
vs. Mark	1.5779	vs. Yen	1.5457
vs. Pound	1.546	vs. Swiss	98.825
vs. Euro	98.80	vs. Franc	5.4175

Newsstand Prices	
Bahrain	6.800 Dln
Cyprus	1.00
Denmark	14.00 D.Kr.
Finland	11 F.M.
Gilbert	0.85
Great Britain	0.85
Egypt	5.000
Jordan	1.00
Kenya	5.00
Kuwait	5.00
Malta	35 C.
Nigeria	50.00 N.Kr.
Norway	15 N.Kr.
Oman	1.00 Rials
Qatar	8.00 Rials
Rep. Ireland	1.00 R.
Saudi Arabia	9.00 R.
South Africa	0.85
U.A.E.	8.50 Dirh
U.S. Mil.	1.00
Zimbabwe	1.00

WORLD CUP GRANDSTAND

Brazil Loses Leonardo

Brazil's Leonardo, sent off for elbowing U.S. midfielder Tab Ramos in the head during Monday's match, was banned Wednesday for four matches.

In addition, the Mexican and Syrian referees who came under heavy criticism for their handling of Tuesday's second-round matches were not named to officiate in the quarterfinals when FIFA made its selections.

Bulgaria in Quarterfinals

The Mexicans had more stars, more skill, even more players at one point — yet the Bulgarians had two more successful penalty kicks, giving them a 3-1 shootout victory in a game that had ended 1-1 after overtime.

Saturday's quarterfinal matches: Italy vs. Spain, in Foxboro, Massachusetts, 19:05 GMT; Netherlands vs. Brazil, in Dallas, 19:35 GMT; Sunday's quarterfinal matches: Bulgaria vs. Germany, in East Rutherford, New Jersey, 19:05 GMT; Sweden vs. Romania, in Stanford, California, 19:35 GMT.

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

World Cup report: Pages 22 and 23

Surge of Squatters Upsets Mandela's Housing Plans

By Steven A. Holmes
New York Times Service

SEBOKENG, South Africa — It was here, on a dusty stretch of veld south of Johannesburg, that Jacob Raboroko and his flock of 300 established a ramshackle settlement three months ago. They called it Canana — Canaan in the Sotho language — for the promise that the land held in their quest for a home of their own.

Three months later, Canana is less a promised land than a crowded squatter camp of 3,200 people whose presence is a sign that the new government of President Nelson Mandela cannot move fast enough to make good on its promise of housing for the poor.

It serves as one more example in an outbreak of "land invasions" by landless blacks who see the new order in

South Africa as their chance to stake a claim to their own piece of ground. Throughout the country, squatter camps are popping up like mushrooms after a summer storm.

The settlements have been going up on public and private lands, on empty spaces near black and mixed-race townships and white suburbs. They have even grown near the downtown areas of cities like Johannesburg. Canana sits on property owned partly by the provincial government and partly by a private company.

In and around Johannesburg, the camps are less the result of an influx of blacks from rural areas than they are a result of an acute shortage of low-income housing. Poor blacks who for years have been sharing dwellings in the townships or living in shacks built

in homeowners' backyards are using the uncertainty of the new order to fulfill the dream of owning their own land.

But in doing so they are provoking the wrath of nearby homeowners — white and nonwhite — who are concerned about property values. And they are disrupting the government's plans to build low-cost housing, in which landless people place their names on waiting lists until the homes are completed.

There are no reliable estimates of the number of squatter settlements that have sprung up in recent months. But the Housing Minister of Pretoria, Witwatersrand-Vereeniging — the province that includes Johannesburg — warned recently that there had been "an alarming upsurge" in illegal squatting.

The government appears to have been taken off guard by the upsurge in land invasions. In the recent election campaign, it promised to build a million housing units over five years, but it does not seem to have a short-term strategy to deter land grabbing.

In early June, after homeowners complained that a newly built shantytown would drive down property values, the Johannesburg City Council, controlled by the Democratic Party, sent the police to demolish the shacks.

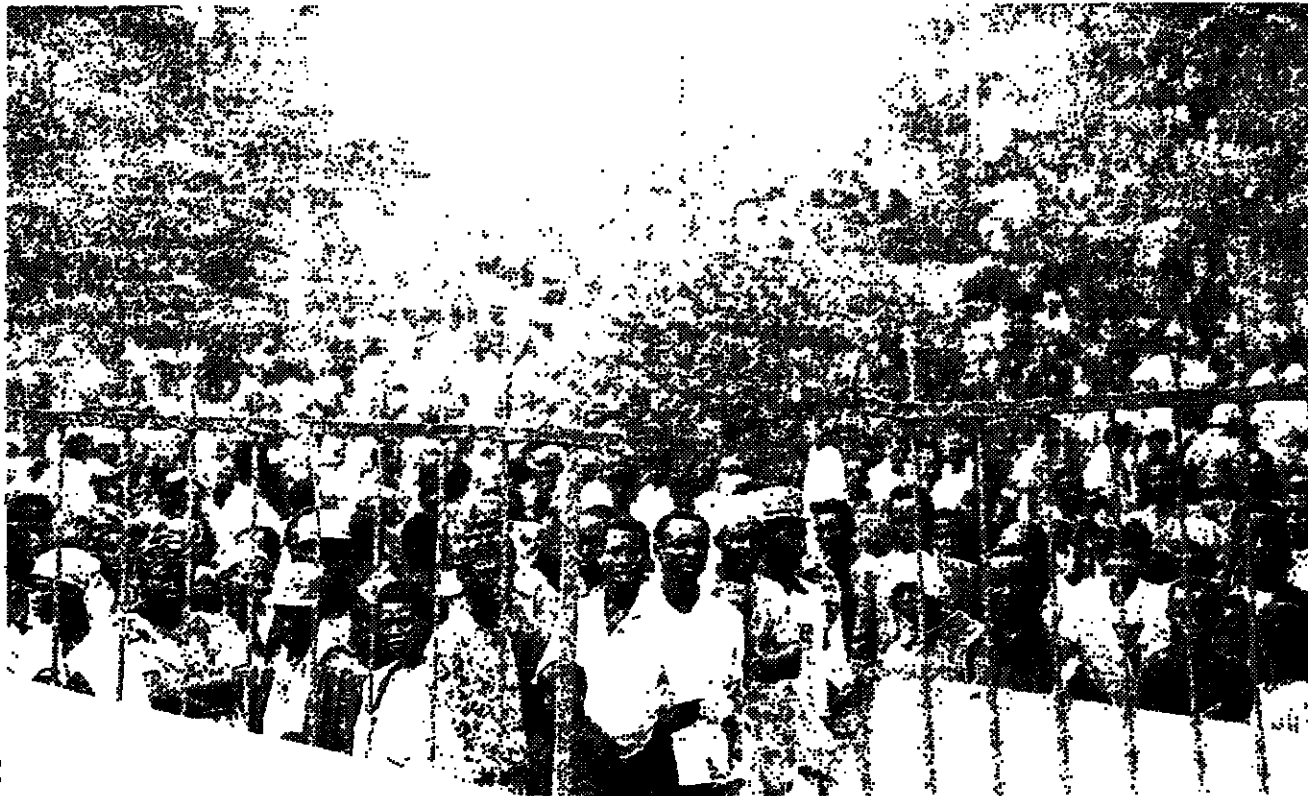
While the council's action was condemned as racist by the African National Congress, Housing Minister Joe Slovo issued a statement saying that the government "is committed to respect constitutional rights in land against any unlawful infringement and unlawful occupation. Squatting cannot be condoned."

But if the camps bespeak a kind of anarchy, settlements like Canana have somehow evolved into structured communities.

The community is run by a committee made up of some of the original settlers. The committee has laid out wide swaths that are to be used as streets, and marked off lots.

Newcomers are assigned numbers that are painted on the outside of their corrugated iron shacks so that one day the postal service will be able to deliver mail.

The committee charges a one-time residence fee of 20 rand which it says it uses to buy rubber tubing and faucets. Leaders of the camp say they are tapping into a nearby main and that they intend to provide water to the camp dwellers.



Thousands of refugees, who were herded into a Kigali school Wednesday by rebels sweeping the city to crush resistance.

Rebels in Rwanda Move to Set Up Rule

By Barry James
International Herald Tribune

PARIS — The victorious Rwanda Patriotic Front appeared Wednesday to be moving toward an agreement to form a government with members of the majority Hutu tribe on condition that they be untrained by allegations of genocide.

Having earlier armed and backed the Rwandan government against the Tutsi-dominated Patriotic Front, France on Wednesday bowed to the inevitable and accepted the Front's demand to form the next government.

The Foreign Ministry spokesman in Paris, Richard Duquet, said France supported a process "founded on power sharing in Rwanda, while obviously excluding those responsible for the massacres."

The Patriotic Front accuses France of protecting mass murderers in the refugee security zone it has established in the southwest of the country. Hundreds of thousands of Rwandans, mostly members of the Tutsi minority, have been slaughtered in the last three months.

The New York-based Human Rights Watch urged President François Mitterrand in a letter Wednesday to round up killers known to be in the security zone. It warned that any government including such murderers would doom Rwanda to a continuation of the horrors of the last three months.

France helped defend the government after Patriotic Front fighters, many of them the sons of Tutsi who fled the country during the power struggles of the 1950s, invaded

Rwanda from Uganda in October 1990.

The ensuing civil war was ended by the Arusha agreement signed last August. But the death in an air crash of President Juvénal Habyarimana in April just as he was about to put the agreement into effect plunged the country into civil war again, and touched off the wave of genocide by militant Hutu militias seeking to eliminate Tutsi and moderate Hutu.

In Kigali, the Rwandan capital, the Patriotic Front commander, Paul Kagame, indicated the rebels were willing to accept a power-sharing agreement in line with the Arusha accords.

The prime minister-designate under that agreement, Faustin Twagiramungu, a moderate Hutu, told Agence France-Presse in Brussels that he had agreed to form a national unity government at the request of the Patriotic Front.

Mr. Kagame said that the rebel movement would announce the formation of a "broad-based national unity government" within the next few days. He said that the Patriotic Front

would "share power with the political forces not responsible for the genocide." The rebels, he said, would declare a ceasefire after consolidating their hold over the eastern half of the country.

The Front's policy appeared to reject any participation in the national unity government by members of the interim Rwandan government at Gisenyi, in the northwest of the country, which the rebels describe as a "clique of killers."

Although Patriotic Front forces were only a few kilometers from forward French positions, there was no indication Wednesday that they were seeking to challenge the lightly defended security zone.

An Associated Press report from the zone said that an estimated 400,000 people who have sought refuge there were desperately short of food, shelter and medicine.

The commander of the residual UN peacekeeping force in Rwanda, Major General Romeo Dallaire of Canada, said Wednesday after talks with rebel leaders that he was confident a cease-fire would soon be achieved.

He said it was important to get a cease-fire in place as quickly as possible to prevent the risk of a clash between the Patriotic Front forces and the French.

The Patriotic Front "has stated to me it is not looking for a fight with the French," General Dallaire said, "and the French commander assured me today that he, too, was not looking for a fight."

The European representative of the Patriotic Front, James Rwego, said, however, that the rebels remained committed to pushing the French out of Rwanda "diplomatically, politically and even militarily."

In Brussels, the Belgian defense minister, Léo Delcroix, said the government would back Mr. Twagiramungu if he succeeded in setting up a government.

Mr. Delcroix severely criticized France's politics in Rwanda, which he said had gone beyond humanitarian intervention.

Brother of Hirohito Says Army Censored Speech on Atrocities

Reuters

TOKYO — The brother of the late Emperor Hirohito, in a dramatic interview published Wednesday, said military chiefs suppressed copies of a speech he made in 1944 denouncing Japanese troop atrocities in China.

Prince Mikasa, 78, told the daily Yomiuri Shimbun he spoke out at the end of an eye-opening one-year assignment as staff officer with Japanese expeditionary forces in Nanking, now Nanjing.

Among incidents that shocked him, he said, was being told by a young officer: "The best way to train new recruits is to have them undergo bayonet practice using prisoners of war. It helps them acquire guts."

Prince Mikasa said he was moved to write the speech, which denounced the army's "policy of aggression," because atrocities committed against the Chinese people appalled him and because of "an irresistible desire for an end to the war."

"I heard that it was regarded by the general headquarters as 'dangerous' after I left the headquarters, and that copies were confiscated and destroyed," the prince said.

One copy did survive, the Yomiuri Shimbun reported. It recently came to light after lying for half a century in the library of Parliament.

Controversy continues to rage in Japan over the Japanese war across Asia and the Pacific.

It was not until 1993 that a Japanese leader, the newly installed reformist Prime Minister Morihiro Hosokawa, dared to say publicly that Japan had fought a war of aggression in Asia.

For decades, the ultraconservative Education Ministry has ordered publishers of school

history books to whitewash accounts of incidents like Japan's germ warfare experiments in Manchuria and the 1937 "Rape of Nanking."

China says Japanese troops slaughtered about 300,000 civilians, many of them women and children, after storming Nanking. The 1946-48 Tokyo war crimes trials estimated that more than 155,000 had died.

Yet, some prominent Japanese politicians still deny the incident ever happened.

Prince Mikasa told Yomiuri Shimbun that the debate on how many Chinese were killed in Nanking missed the real issue.

"The Chinese [characters] for 'massacre' mean 'killing people in a cruel manner,'" he said. "If you kill prisoners in an atrocious manner, that is a massacre. The number is not the issue."

The newspaper asked Mr. Mikasa if he had told his brother, the emperor, about what he had seen and heard in China.

"As far as I can remember, I didn't talk about the document with the emperor. But when I met him, I did report on the China situation in bits and pieces," he said, adding that he once showed Hirohito some Chinese-made films about Japanese atrocities.

The extent to which Emperor Hirohito supported or passively approved of Japan's military expansionism from the 1930s has been a hugely controversial topic since the war ended in 1945.

Emperor Hirohito, who died in 1989, was once asked at a news conference: "What do you think of your own wartime responsibility?"

He angrily responded: "That is a literary expression and I have not studied literature."

WORLD BRIEFS

North Yemeni Forces Take Control Of Some Key Points in Central Aden

ADEN, Yemen (Reuters) — Northern Yemeni forces entered outlying but heavily populated districts of Aden on Wednesday in what appeared to be a final push to overthrow the southern Yemen state.

Residents said troops loyal to the northern military president, General Ali Abdullah Saleh, appeared to be in control of the so-called Caltex circle that commands the approaches to central Aden. There was no immediate word on casualties, but residents said dozens of people had been killed or wounded.

The advance into the southern stronghold coincided with the reported northern capture of the major southern oil field and the town of Mukalla, the second-largest southern city after Aden, which has half a million people.

Residents said northern troops backed by tanks met strong resistance in Mansoura, but machine-gun fire and rocket exchanges eased when they reached the police station and the offices of the Yemen Socialist Party, the South's main political grouping.

Nigeria Charges Abiola With Treason

ABUJA, Nigeria (AFP) — Nigeria's military government charged the opposition leader Moshood K.O. Abiola with treason Wednesday in a specially created federal court, witnesses said.

Mr. Abiola, who was taken to the court in an armored police van under heavy security, pleaded not guilty.

The police had earlier arrested Frank Kokori, the secretary-general of Nigeria's main oil and gas workers' union. The arrest was reported as his union, the National Union of Petroleum and Natural Gas Workers, entered the third day of a strike to pressure the military government of General Sani Abacha to hand over power to Mr. Abiola. The opposition leader is widely believed to have won a presidential election in June 1993 that later was declared void.

Turkey Deplores Greece's 'Hostility'

ANKARA (Reuters) — Turkey, mourning its diplomat slain by gunmen in Athens, said Wednesday that Greece must stop tolerating "terrorism" and end what it called a policy of hostility toward Turks.

The present atmosphere in Greece is a threat to itself, its neighbors and the European Union of which it is a member, a spokesman for Turkey's Foreign Ministry said. "It is time to put a stop to this. Otherwise Greece will be held responsible."

Greece's left-wing November 17 guerrillas claimed responsibility for the attack Monday on Mr. Spilioti, 46, who died after three gunmen shot him as he went to work.

India Sets Reward for Bomb Suspects

NEW DELHI (AFP) — India's federal investigating agency announced \$50,000 rewards on Wednesday for the arrest of two key suspects in last year's Bombay serial bombings that killed 317 people.

The Central Bureau of Investigation said the rewards would be paid in foreign exchange for information that could lead to the arrest of the alleged masterminds of the conspiracy, Dawood Ibrahim and Abdul Rajak Memoor.

TRAVEL UPDATE

Strike Brings Chaos to Italy Airports

ROME (Reuters) — A strike by cabin crews at the Italian state airline Alitalia over pay and working conditions brought chaos to Italian airports on Wednesday, and irate passengers faced several more days of disruptions.

Hundreds of travelers, many on their way to summer vacations, lined up at check-in counters only to be told that hundreds of flights had been canceled.

Air traffic controllers in Milan were to strike Thursday, and controllers throughout Italy were to do Friday in a move that also threatened to halt many flights. All of Alitalia's ground and air staff are expected to strike on Monday.

Spain's wildest fiesta, San Fermin, started Wednesday with the traditional firing of a rocket over the heads of thousands of people crammed into Pamplona's central plaza.

Air Inter employees have called a one-day strike for Tuesday to back their concern that increasing competition threatens the survival of the French domestic airline.

Private cars are being barred from central Athens following forecasts of hot, windless weather in a bid to prevent a buildup of air pollution. The measure will be in effect from 7 A.M. to 3 P.M. on Thursday. Only taxis with odd-numbered license plates will be allowed into the city center. Temperatures of up to 38 degrees Celsius (100 degrees Fahrenheit) are forecast.

Fear of a New Coup Sweeps Phnom Penh

The Associated Press

PHNOM PENH — A senior Cambodian government official, Sin Sen, and the chief of police protection were arrested Wednesday in connection with a coup attempt over the weekend, and many officials stayed away from their offices as fear of another coup attempt swept through the capital.

Authorities arrested Mr. Sin Sen, one of four secretaries of state in the Interior Ministry, at the airport on Wednesday as he was about to board a plane to leave the country.

The police official was not identified by name.

The arrests came three days after the plotters of the attempted coup, Sin Song and

Prince Norodom Chakrapong — a son of King Norodom Sihanouk — were arrested and, in the prince's case, expelled.

Diplomats and aid agencies were warned of another possible coup attempt, and Interior Minister You Hocky said armed personnel carriers would patrol the capital "as a precaution."

Dozens of guards armed with M-16 rifles blocked the streets around Mr. Sin Sen's house late Wednesday as others searched it. They emerged just before dark with five sacks filled with guns they had found.

Khieu Kanharith, secretary of state in the Information Ministry, said a number of people were being questioned.

Carter Doubts Koreans Will Yield Reactor Rods

By T.R. Reid
Washington Post Service

TOKYO — Former President Jimmy Carter said Wednesday that North Korea would probably not agree to give up the used nuclear fuel rods it has removed from its atomic reactors.

"The important thing now," he said, for the rest of the world, "is that you don't let any more plutonium be processed."

Mr. Carter's personal diplomacy last month led to an agreement for the first summit meeting between North and South Korean leaders since the peninsula was split in two at the dawn of Cold War.

In a visit to reclusive North Korea, he spent three days talking to President Kim Il Sung.

Mr. Carter took time during a weeklong trip to Japan this week to report on his conference with President Kim and offer his views of the dispute over North Korea's nuclear development program.

With the U.S. and North Korea scheduled to begin high-level talks in Geneva this week, there has been disagreement over what the United States should demand of the North.

Some analysts say Pyongyang should be required to surrender its current stocks of plutonium, plus its used nuclear reactor fuel rods, which could be processed into more plutonium. But Mr. Carter said a demand for the fuel rods would probably be rebuffed.

"If North Korea does comply with the Nonproliferation Treaty, and permits required inspections by the International Atomic Energy Agency," Mr. Carter said, "to require that the fuel rods be moved to another country is probably something they can't accept, although I wish they would."

Mr. Carter said there was no evidence that North Korea had built a nuclear bomb.

"I have been briefed in detail by the U.S. intelligence services, and I've never heard any allegation that North Korea has built an explosive nuclear device," Mr. Carter said. "At worst, they've got enough plutonium to make one explosive device."

INTERNATIONAL UNIVERSITY OF AMERICA
THE LINK BETWEEN CONTINENTS
SAN FRANCISCO 220 Montgomery Street, San Francisco, CA 94104

University in San Francisco offering MBA Master of Business Administration for International Management

- 12-month intensive, full-time program in San Francisco.
- Rigorous academic program including a Personal Project.
- Minimum admission criteria: 4 years of university education or its equivalent; professional experience.

ALSO **Doctorate PROGRAM FOR GRADUATE PROFESSIONALS IN MANAGEMENT WITH MBA**

California State Approved ACBSP

San Francisco Admissions Office
Tel: (415) 397-2000
Fax: (415) 397-2052

Main European Information Center - Paris
Tel: (33-1) 40.70.10.00
Fax: (33-1) 40.70.10.10

IUA SAN FRANCISCO

Sheraton ALGARVE
FINE CLIFFS
ITT SHERATON LUXURY COLLECTION

The Most Luxurious Beach and Golf Resort in Europe

Tel: (351-89) 501999
Fax: (351-89) 501950
Albufeira, Algarve PORTUGAL

To call from country to country, or back to the U.S., dial the WorldPhone number of the country you're calling from.

Antigua (Available from public telephones only.) 001-860-333-1111	Cyprus 003-222-0000	Guatemala 001-800-444-1234	Netherlands 0031-20-480-1234	Spain 0034-91-123-4567
Argentina 001-1-800-333-1111	Czech Republic 0042-2-222-0000	Haiti 001-800-674-7000	Netherlands Antilles 0031-20-480-1234	Sweden 0046-8-123-4567
Australia 0061-2-123-4567	Dominican Republic 001-800-674-7000	Honduras 00504-222-0000	Norway 0047-22-123-4567	Switzerland 0041-1-123-4567
Bahamas 001-242-222-0000	Ecuador 00593-2-222-0000	Iceland 00354-1-123-4567	Paraguay 00595-21-123-4567	Taiwan 00886-2-123-4567
Bahrain 00965-1-123-4567	El Salvador 00503-2-222-0000	Ireland 00353-1-123-4567	Peru 0051-1-123-4567	Tanzania 00255-22-123-4567
Belgium 0032-2-123-4567	Finland 00358-9-123-4567	Israel 00972-3-123-4567	Puerto Rico 001-787-123-4567	Thailand 0066-2-123-4567
Bermuda 001-441-222-0000	France 0033-1-123-4567	Italy 0039-6-123-4567	South Africa 0027-11-123-4567	Uganda 00256-1-123-4567
Bolivia 00591-2-123-4567	Germany 0049-30-123-4567	Japan 0081-3-123-4567	Ukraine 00380-44-123-4567	U.S. Virgin Islands 001-340-123-4567
Brazil 0055-11-123-4567	Greece 0030-1-123-4567	Korea 0082-2-123-4567	Venezuela 0058-281-123-4567	
Canada 001-800-888-8000	Hungary 0036-1-123-4567	Latvia 00371-1-123-4567		
Cayman Islands 001-345-123-4567	India 0091-11-123-4567	Lithuania 00370-1-123-4567		
Chile 0056-2-123-4567	Indonesia 0062-21-123-4567	Luxembourg 00352-43-123-4567		
Colombia 0057-1-123-4567	Italy 0039-6-123-4567	Mexico 0052-5-123-4567		
Costa Rica 00506-2-123-4567	Japan 0081-3-123-4567	Morocco 00212-21-123-4567		

Use your MCI Card, local telephone card or call collect, all at the same low rates.

WorldPhone Let It Take You Around the World.

THE AMERICAS / MAIN STREET'S VOICES



Investigators from the National Transportation Safety Board checking part of the wreckage of USAir Flight 1016.

Flight 1016: Every Traveler's Nightmare

By Peter Applebome
New York Times Service

CHARLOTTE, North Carolina — Shortly after the pilots tried to abort their landing amid torrential rains and gusting winds, USAir Flight 1016 was slammed to earth in a way consistent with what a wind shear would cause, according to a National Transportation Safety Board spokesman.

A board member, John Hammerschmidt, also described to a news conference the desperate efforts of the pilots to gain altitude around 6:42 P.M. Sunday. The jet, a DC-9-30, experienced "a severe sink rate" just after it veered to the right and tried to circle Charlotte/Dou-

glas International Airport, Mr. Hammerschmidt said. It then crashed, killing 37 people and injuring 20.

Interviews conducted with the pilot and first officer on Tuesday, along with information from the cockpit voice recorder, tower communications and other data have allowed investigators to put together a chilling chronology of every traveler's worst nightmare: a sudden, vicious storm that kicks up at almost the instant a plane is thundering in for a landing and brings catastrophe.

It will take the safety board 9 to 12 months to complete its investigation, and officials stressed that they had not yet

determined the cause of the crash. Investigators do not know whether the plane flew into a wind shear, and if it did, whether the pilot's response or a mechanical failure might have contributed to the crash.

But Mr. Hammerschmidt said the accident was consistent with wind shear. And investigators were able to assemble an almost second-by-second account of Flight 1016's last two minutes as it roared into a storm.

At a news briefing Tuesday night, Mr. Hammerschmidt said the captain, John Greenlee, 38, decided to abort the landing after the plane suddenly flew into what Mr. Greenlee de-

scribed to investigators as the most rain he had ever seen. The rain kicked up just as he received a wind-shear warning from the control tower at around 6:41 P.M.

But shortly after he ordered a circle of the airport at maximum power, the plane plummeted. At that point, Mr. Greenlee hollered, "Firewall throbbles," and he and the first officer, James Hayes, 41, who was flying the plane, both pushed their throttles to over-boost settings. But they next heard a warning of an impending stall, heard an alarm system saying "terrain," meaning they were nearing the ground, and then felt three ground impacts, the second one severe.

On Health Plan, Small Business Says No!

Intense Drive Against Paying Premiums Is a Blow to Clinton

By Neil A. Lewis
New York Times Service

WASHINGTON — The National Federation of Independent Business did not need to engage in soul-searching debate on health care.

Almost from the moment President Bill Clinton's plan was announced, the lobbying group representing small-business owners knew what it wanted to do — kill the requirement that employers buy health insurance for their workers.

For months, the federation chipped away at the Clinton proposal and its supporters. The group organized meetings in Montana to put pressure on Senator Max Baucus, and started an intense and costly phone and mail campaign against Senator G. Kent Conrad of North Dakota. Both senators are important Democrats on the Finance Committee.

The federation also cajoled Representative W. J. Tauzin of Louisiana and played hardball with Representative James C. Slattery of Kansas, Democrats who serve on the House Energy and Commerce Committee.

By the time they were done, the federation's lobbyists had helped tie the Energy and Commerce Committee in knots, so that it never even finished work on a health bill.

And when the Senate Finance Committee approved a bill that deleted the employer mandate, the deep consternation in the White House was matched by the jubilation on the seventh floor of an office building halfway between the White House and Capitol Hill where the federation has its headquarters.

More than any other single lobby or trade association, the federation can take credit, or blame, for making it increasingly unlikely that Congress will approve employer mandates, the requirement that businesses pay for their workers' health insurance, which is at the heart of Mr. Clinton's promise of universal health coverage.

The federation has waged a 14-month war against this crucial element of the Clinton health plan, and with a membership of more than 600,000 small-business owners concentrated in the rural South and West, it is a formidable legislative force.

Besides its impressive membership rolls, the small-business federation has learned to use technology in innovative ways to help focus its resources on individual members of Congress. It has organized huge overnight telephone campaigns directed against lawmakers on the day of crucial votes.

"We made the decision to fight this health plan earlier than almost anybody else did," said John Motley, the organization's chief lobbyist. "One of the things that enabled us to be so successful on this is that we got our message out long before the calliope of voices on the issue was able to drown us out."

The heart of the federation's strategy is simple:

Step 1, decide which senators and representatives will be the swing votes on the committees charged with health care issues.

Step 2, mobilize small-business owners who are influential in their states and dis-

tricts and are willing to deliver a rock-hard message.

Step 3, take the people from Step 2 and aim them at the people from Step 1.

"There's no magic to this," Mr. Motley said in an interview. "Our strength is that we have a large membership that is homogeneous in that it represents Main Street businesses in this country who are struggling to keep the doors open."

Whether that is an accurate or highly romanticized view of the members of the Motley organization, it is a group that demands greater attention on Capitol Hill than most.

"In many of these districts, you go along the main shopping street and almost every store has an NFIB sticker in the window," said a senior congressional staff aide involved in the health care legislation.

Last week, two days before the Senate Finance Committee voted on a bill without employer mandates, the House Energy and Commerce Committee gave up its efforts to approve any health care bill.

It was a bitter blow for the committee's chairman, Representative John D. Dingell, a Michigan Democrat who dreamed of playing a major role in enacting universal health care legislation ever since he was a teenager and saw his father, a congressman, fail in that venture.

A major reason that Mr. Dingell gave up was an inability to get his fellow Democrats on the committee to approve employer mandates.

It became apparent early that the federation and the Clinton administration would be harsh adversaries.



POLITICAL NOTES

Sexism Skirmish at Pentagon Bookstore

WASHINGTON — The battle over sexism in the U.S. military has reached ground zero: the Pentagon bookstore.

At a time of greater sensitivity toward sexual harassment in the armed services, a handful of service members are objecting to the prominent display of a sales rack for Penthouse and Playboy magazines in the store.

The bookstore, a privately owned business that leases space from the Defense Department, has sold Penthouse and Playboy for several years.

"If they want to sell that stuff, let them sell it outside, but it's inappropriate here," said a male air force lieutenant colonel, who asked not to be identified because, although the military has taken strides in women's matters, it has not moved so far that such a view is not risky.

"I just don't think it's in keeping with the effort this department has been making to eliminate attitudes and behaviors that are degrading to women," said a female army officer who also spoke only on the condition of anonymity. (NYT)

Christopher Plays Down Dismissal Talk

GENEVA — Secretary of State Warren M. Christopher says there is no "artificial deadline" by which President Bill Clinton might decide whether to replace him.

Mr. Christopher was asked about a report in Sunday's Washington Post that Mr. Clinton had decided to wait until the end of the year to decide whether his administration's much-criticized performance in international affairs merits replacement of Mr. Christopher.

"There's no artificial deadline as far as I'm concerned," Mr. Christopher said.

(Reuters)

Quote / Unquote

Michael Barnes, adviser to the deposed Haitian president, the Reverend Jean-Bertrand Aristide, on the new U.S. policy of refusing entry to Haitian refugees, who will instead be sent home or to other Caribbean nations: "For the people of Haiti who are trying to escape from the reign of terror, this is a step backwards." (AP)

Away From Politics

• Three of every 10 slaying victims in New York City had cocaine in their systems, according to the Journal of the American Medical Association. Young women had an even higher incidence. The journal, reporting on a study of 4,298 homicide deaths in 1990 and 1991, said a higher rate of cocaine use likely was part of the reason young black

and Hispanic men are more likely homicide victims.

• A drive by Dr. Jack Kevorkian to put the issue of assisted suicide before Michigan's voters this fall has apparently fallen short. His supporters need 256,457 signatures by next Monday, and are about 50,000 short. "I'm pretty sure we won't qualify for the ballot," Dr. Kevorkian said.

"We'll shoot for November 1996. That's a presidential year. There will be a lot of voters."

• At least six people died in the vicinity of Palmetto, Georgia, as heavy rains brought extensive flooding. The downpours were the remnants of the first storm of the tropical season, which swept from the Gulf of Mexico over

the weekend and headed inland along the western panhandle region of Florida.

• Law enforcement officers in California stopped a man from taking a 13-year-old California girl to Mexico so they could get married. The would-be bride was going willingly, but police arrested Jorge Torres, 25, anyway after the couple arrived in Fresno. AP, AFP

John L. Phillips, IHT Editor, Dies at 55

International Herald Tribune

PARIS — John L. Phillips, an editor at the International Herald Tribune since 1978, died Wednesday in Paris after a long battle with leukemia at the age of 55.

Mr. Phillips came to the newspaper after a career in magazines and television in the United States. He was a lively writer and meticulous editor, and was for a time editor of the sports pages.

A tall, quietly spoken native of Rochester, New York, Mr. Phillips struck up many friendships in Paris, his adopted home. When he needed blood platelet transfusions, most of the police at his local precinct volunteered to donate for him.

He was educated at Phillips Academy in Andover, Massachusetts, and was graduated cum laude in English from Williams College, in Williamstown, Massachusetts, where he was a member of Phi Beta Kappa. He also attended Yale Law School.

His journalism career began in 1962 at The Berkshire Eagle in Pittsfield, Massachusetts, where he was a reporter before becoming associate editor at American Heritage magazine in New York from 1966 to 1968

and a writer at Time magazine from 1968 to 1970.

His free-lance writing appeared in many publications, including The New York Times Magazine, Look, Reader's Digest, New York Magazine and Sports Illustrated. As a television correspondent and producer, he contributed to "CBS Sports Spectacular" from 1971 to 1975 and to the PBS series "Behind the Lines."

He is survived by a brother, Nicholas Ackerman Phillips. A memorial service will be held in Paris at a date to be announced.

Gerard Coad Smith, 80, Was U.S. Arms Negotiator

New York Times Service

NEW YORK (NYT) — Gerard Coad Smith, 80, a principal

arms negotiator for the Nixon and Carter administrations, an expert in the intricacies of nuclear weapons and a noted lawyer, died Monday of cancer in Easton, Maryland.

President Richard Nixon made him head of the U.S. Arms Control and Disarmament Agency in 1969. As such, he led the American delegation to the Strategic Arms Limitation Talks, or SALT.

One of his accomplishments was the 1972 Anti-Ballistic Missile Treaty signed by Mr. Nixon at a Moscow summit meeting. He assisted David Rockefeller the next year in founding the Trilateral Commission for policy talks among Japanese, European and American leaders.

Charles L. Donnelly Jr., 64, former commander in chief of U.S. and NATO air forces in Europe, died Sunday of cancer at Andrews Air Force Base in Maryland.

The very best in good taste.

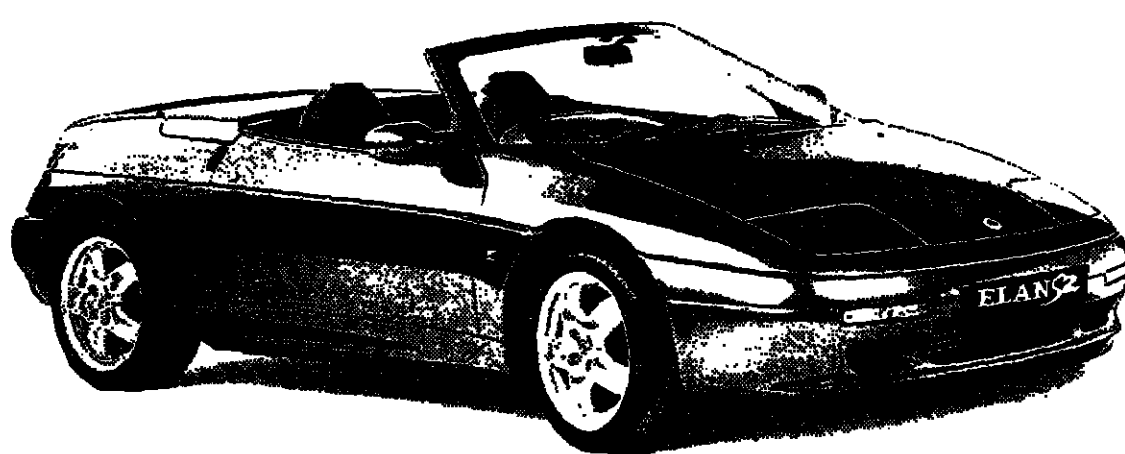


Mac Baren
For pipe smokers in over 80 countries Mac Baren tobaccos represent, above all, the very best in good taste. Select and smoke a Mac Baren tobacco today and see how right they are.

AN OUTSTANDING INTERNATIONAL COLLECTION OF EXCLUSIVE WATCHES

CORUM
Horlogers-Joailliers
1, Rue de la Paix, Paris, TEL. 42 60 10 17

Not what you'd expect from The European. A topless model.



A special edition Lotus Elan S2 must be won by one lucky reader of The European - it could be you. For all the exciting details, simply buy The European this Friday.



THE WEEKLY NEWSPAPER FOR EUROPE

Closing date: 25/8/94. Entrants must be of driving age. Void where illegal - in some countries you may participate for amusement only.

U.S. Gives Haiti Chiefs 6 Months To Quit or Face Intervention

WASHINGTON — The Clinton administration served notice Wednesday that it expects Haiti's dictators to "step down" by the end of the year or face the possibility of military intervention.

President Bill Clinton, in Latvia, described his new refugee policy for Haitians as "appropriate" and added, "I also think the sanctions are having an impact" on Haiti's military dictatorship.

The administration changed its Haiti policy Tuesday and said the tidal wave of Haitian refugees trying to reach the United States will be redirected to Panama and other countries under a new plan that offers financial aid to those Caribbean nations in return for easing the crush of asylum-seekers.

"We believe that our policies are going to work," William H. Gray 3d, Mr. Clinton's special adviser on Haiti, said Wednesday morning as he made the rounds of television news shows.

"We don't expect the military regime to last six months from now. The world community does not," Mr. Gray said. "We believe that the dictatorship will stop down, will leave. If they don't, then there are options that are open. The president has made it very clear that he military option is just one of those options."

Asked directly on ABC if he was saying that Haiti's military government had to be out within

in six months, Mr. Gray responded: "That's exactly the message, and it is my belief that that is going to happen."

Meanwhile, four U.S. Navy ships sailed Wednesday for Haiti to stand by in case they were needed to protect U.S. citizens. The ships will pick up 2,000 Marines on Thursday in North Carolina and then sail toward Haiti.

The new arrangement for refugees drew fire from backers of the exiled Haitian president, Reverend Jean-Bertrand Aristide. They are threatening to challenge it in court.

"For the people of Haiti who are trying to escape from the reign of terror, this is a step backwards," said Michael Barnes, a close adviser to Father Aristide.

Under the policy announced Tuesday, Haitians who flee their country will not be allowed into the United States. They either will be returned home or taken to safe havens in Panama, Antigua or Dominica.

Ira Kurzban, a Miami lawyer who represents Father Aristide and the Haitian Refugee Center, said he expected to file a lawsuit challenging the new policy because international law requires safe havens to admit all refugees without making individual determinations.

"Here they're clearly discriminating," he said. "They're saying certain refugees are good enough to come to the United States and others aren't. And they're doing it on what appears to be race and national origin."

Christine Shelly, a State Department spokeswoman, dismissed Mr. Kurzban's allegation. She said the percentage of people granted refugee status based on interviews at centers in Haiti had risen from 5 percent to 30 percent in recent weeks.

U.S. Coast Guard boats have intercepted more than 12,500 Haitians in the last 12 days, including 3,247 on Monday and 2,602 on Tuesday.

The new refugee policy is intended to discourage Haitians from the dangerous practice of fleeing in small boats.

"Those boat people who are in need of protection to obtain it in safe haven camps, initially in Panama, and later in other Caribbean nations," Mr. Gray said Tuesday.

Panama will accept up to 10,000 Haitians, and Antigua agreed Tuesday to accept 2,000 asylum-seekers for six months. Dominica, an island nation south of Antigua, agreed in principle to accept an unspecified number of refugees, Mr. Gray said.

Mr. Gray also said the dispatch of the four U.S. warships and 2,000 Marines to the waters off Haiti had nothing to do with the refugee situation, but are heading there in case they are needed to protect U.S. citizens in Haiti.

"There is no military invasion imminent," he said, defining "imminent" as within the next several days.



TEPEE TOURISTS — Tourists enjoying a meal outside their wigwam at a park in eastern Netherlands. Scandinavian and German visitors particularly like the tents.

Taiwan Sends China Mixed Policy Signals

Kevin Murphy
International Herald Tribune

HONG KONG — A new Taiwan government policy paper outlining the island's strategy toward China has generated more confusion than new ideas.

The release of the first "white paper" on China policy by Taipei's Mainland Affairs Council comes as a more pluralistic Taiwan is searching for a balance between the need to profit from China's economic boom without jeopardizing its own political and economic autonomy.

Analysts found little sign of change in a rebash of old but

previously unwritten policies and scant examination of the many complex economic issues that closely link the two rival governments.

But they said the document, filled with contradictions between policy and practicality, may help Taiwan's governing Nationalist Party, or Kuomintang, placate its domestic critics while delaying difficult decisions about improving relations with Beijing at a volatile stage in China's development.

"We are facing a very serious problem with our national identity," said Hu Fu, a professor at National Taiwan University. "This government must clarify its strategy and accept the principle of 'One China' or state its independence. But this paper is filled with clichés. It merely repeats the former policies."

The Nationalist government, which has ruled Taiwan since it fled there after its 1949 defeat by the Communists, renewed its official goal of seeking reunification with China, on its own terms.

It also restated its determination not to compete with Beijing for international recognition as China's sole ruling government. Only 29 countries have chosen diplomatic relations with Taiwan over Beijing.

The white paper, which was released Tuesday, called on Beijing to recognize Taiwan as a "political entity" with equal international rights, but did not assert the island nation's independence, as demanded by the opposition Democratic Progressive Party.

China, which continues to try to isolate Taiwan diplomatically, regards the island as a renegade province and refuses to

renounce the use of force against it, a precondition of any move by Taipei to open direct travel, communication and investment links.

In its most recent policy statement on Taiwan, Beijing said it sought reunification on the basis of "one country, two systems," a similar model to that which guides its policy toward Hong Kong, and one that asserts the People's Republic of China is the one country with Taiwan a subordinate, "special administrative zone."

"In the wording of this document, the Nationalists want to calm Communist China down," said Maysing Yang, director of the Democratic Progressive Party's foreign affairs department. "It's very cautious, but it is not in the interests of the Taiwan people."

The "Relations Across the Taiwan Strait" paper, which is characterized by nonconfrontational language, appears to contradict Taipei's strong recent push for diplomatic recognition, and greater influence in regional economic affairs.

It also largely ignores the need for Taiwan's labor-intensive industries to relocate to China, where much lower wage rates are offering stiff competition to many of Taiwan's traditional export markets for light manufactured goods and textiles.

Referring to the white paper, Ting Tin-yu, who heads the Gallup opinion polling group's office in Taipei, said: "The government does not want to face reality, it doesn't want to discuss the situation. I think many people were disappointed that only 700 words in the document discussed the economic issues."

However, with détente between the two countries soured after 24 Taiwanese visitors to China died in mysterious circumstances in March and the Nationalist Party deeply divided over its China policy, analysts said President Lee Teng-hui of Taiwan was unable to move too quickly in any direction.

Nor, with China's senior leader Deng Xiaoping, 89, in poor health and his succession unclear, is there a hurry to make a binding deal with Beijing, the analysts said.

See our Arts and Antiques every Saturday

Detective Was Surprised to Find Evidence at Simpson's Home

LOS ANGELES — A detective who went to O.J. Simpson's estate after his former wife was murdered testified Wednesday that he had no idea he would find evidence there or that Mr. Simpson would wind up as a suspect.

"I did not believe the circumstances would unfold as they did," the detective, Mark Fuhrman, testified. "We didn't enter with any intention of finding anything."

He testified that when he noticed a bloody glove in the shrubs at the estate, similar to one found at the crime scene, "My heart started pounding and I realized what I had probably found."

The comments came on the second day of testimony on a defense motion to disallow evidence that detectives found at the estate early in the morning of June 13. Defense lawyers say the search was improperly conducted.

Mr. Simpson has pleaded not guilty to the June 12 slayings of his former wife, Nicole Brown Simpson, 35, and a friend of hers, Ronald Goldman, 25. The preliminary hearing, which began last week, will decide whether a trial will be held.

In its motion to throw out the evidence found at Mr. Simpson's estate, the defense contends that detectives illegally scaled the estate's wall.

On Wednesday, Detective Philip Vannatter testified that when he was on the grounds of the estate, he roused Mr. Simpson's daughter, Arnette, 25, from a guest house. When she was asked where her father was, she pointed toward the main house and said, "Isn't he here?"

"She looked sort of quizzical," Mr. Vannatter testified, adding, "I asked her, 'Well, do you have a key? Can we check to see if your father's here? We need to get in touch with him. And she said, 'Yes I have a key. Let's go into the house,' and she took us into the house."

During cross-examination, the defense attorney, Robert L. Shapiro, questioned Mr. Vannatter on whether the police had followed proper procedures.

Mr. Vannatter and Mr. Fuhrman were among a group of detectives who went to Mr. Simpson's home to tell him that his former wife was dead. But then they saw blood on a white Ford Bronco parked on the street outside the estate. The two testified that the detectives entered the compound without a warrant because they feared whoever had killed Mrs. Simpson also might have attacked someone at her former husband's home.

"I said, 'We've got an emergency. We've got a problem. We don't know if we have people inside that are in danger, dying, bleeding to death. We have to do something. I don't care whose house it is, we have to do something,'" Mr. Fuhrman said.

But Mr. Shapiro got Mr. Vannatter to ac-

knowledge that despite their fears, the detectives did not enter the estate with guns drawn.

Mr. Fuhrman said his attention was drawn to the Bronco because "it wasn't parked parallel to the curb. It looked like it was parked hurriedly or haphazardly." The defense presented photos that seemed to show the Bronco was only slightly askew, and Mr. Fuhrman responded that from the angle at which he had been standing, it seemed as if the end of the Bronco was sticking out farther.

Once inside, Mr. Fuhrman testified, Brian Kaelin, a house guest, told him that he had heard a loud series of thumps outside his room the previous evening. Mr. Fuhrman said he went out and found a glove in the area where Mr. Kaelin had said the noise came from.

Other testimony on Tuesday dealt with Mr. Simpson's actions the day of the killings, with neither witness reporting seeing him for about 75 minutes that evening.

Andreotti Was in Mafia, Italian Prosecutor Charges

ROME — The prosecutor's office here has accused former Prime Minister Giulio Andreotti of full-fledged membership in the Mafia, according to press reports.

The prosecutors want Mr. Andreotti to be tried on charges that he protected organized

crime. Their new charge against the 75-year-old statesman is that he was not only associated with the Mafia but was an actual member.

The change in the charge, which one judicial source in Sicily called "subtle but important," would strengthen Palermo magistrates' case to hold a trial in the Sicilian capital.

Judge Agostino Giamino said Wednesday he planned to hold a preliminary hearing in October before deciding whether there was sufficient evidence to try the senator, who has held virtually every important post in Rome since World War II.

French-Spanish Fish Dispute

BORDEAUX — French Navy vessels have stopped 16 Spanish trawlers in a dispute over anchovy fishing, authorities said Wednesday.

Herald Tribune

LIVING IN THE U.S.?

NOW PRINTED IN

NEW YORK

FOR SAME DAY

DELIVERY IN KEY CITIES

TO SUBSCRIBE, CALL

1-800-882-2884

(IN NEW YORK, CALL 212-752-3890)

EXECUTIVE CAREER CONSULTANTS

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

USA & OVERSEAS JOBS, 300 jobs, 1400 firms, largest current job list, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly. USA jobs, 1000+ new jobs added weekly.

Directeur Contrôle Filiales Europe France

Services : Cette société basée en province, appartient à un groupe international réputé dans son domaine d'activité. Après une expansion soutenue en France, elle poursuit son développement sur l'Europe. Les premières filiales sont créées aujourd'hui, et nécessitent la recherche d'un Contrôleur Europe.

Sous l'autorité du Directeur général, il sera l'interface financière entre les filiales et le siège de la société. Il organisera également le transfert de savoir-faire et de compétences nécessaires. Il définira, mettra en place et assurera le suivi des procédures de gestion : prévisions, budgets, contrôle, reporting, analyse des résultats. Il sera responsable des résultats financiers des filiales. Il sera amené de manière ponctuelle à effectuer des audits financiers, dans le cadre de la croissance externe (recherche de nouveaux partenaires).

De nationalité européenne, âgé de 30 ans minimum, de formation économique et financière supérieure, il aura une expérience réussie de contrôle financier de filiales et de consolidation, acquise dans un groupe de services, possédant des filiales à l'étranger. Un passage comme auditeur dans un cabinet d'audit international constitue un plus. La maîtrise de l'anglais, de l'allemand et du français est nécessaire, de même que l'outil informatique.

Merci d'adresser sous ref. 782 MHT votre dossier de candidature avec photo et rémunération actuelle à Henri MICHON, PSYNERGIE, 2 rue Saint Thomas d'Aquin, 75007 PARIS

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Democracy for Asians, Too

In Japan, two parties with nothing in common but desperation have seized a fleeting chance to join up in an implausible and probably short-lived coalition. In Hong Kong, the local legislators have voted for a little more democracy, and anti-democracy China has growled a routine protest. Nothing there that might not have happened elsewhere in the world. Yet it is still being said that East Asia has a special sort of politics, because it has a special set of values. Has it?

The increasingly obvious answer is that there is nothing unique about what ordinary East Asians want from politics. The claim that this region is politically "special" is partly a wince at the pain of the economic transformation it is going through. It is also, alas, self-serving propaganda by some East Asian politicians.

When any part of the world goes through the process of industrialization, it suffers a social earthquake. As people grow richer, they are no longer so ready to be respectful to authority. Many move from the polite cohesion of villages to the rambunctious anonymity of big cities. Some of them use this anonymity to pursue their own interests at other people's expense, often violently. America and Europe, having already been through this earthquake, know what it is like.

They also know that it does no good to lament the days when the family held things together. Urbanization breaks up the old extended family. Bigger incomes, and the changed life they bring, challenge even the nuclear family. The divorce rate doubled in South Korea and Hong Kong in the 1980s and is going up even faster in China now (whereas in the United States it has fallen slightly).

The romanticism of Confucian "special values" put great emphasis on the family: the family was once, indeed, a splendid provider of stability for East Asians. But they cannot count on it to stabilize them now. They cannot make the family once again what it used to be, unless they reverse their economic great leap forward.

Nor can they guarantee docile teenagers, peaceful streets and a crime-free society. The countries of the Confucian region, most notably Singapore, believe in being tough with offenders. Many Americans and quite a lot of Europeans think a return to corporal punishment

might do no harm in their countries, either, even though their governments tut-tut. Yet here, too, the theorists of Confucian values are probably fighting a rearguard battle.

Their region's social transformation is only where Europe's and America's were half a century or more ago. If urban disorder is already causing them alarm, it seems pretty clear that a policy of stern punishment may suppress some of the symptoms but will not cure the disease. For a cure, something new will have to be found. To find it, East Asians will need to work alongside Europeans and Americans.

It is dangerous to romanticize the past in the name of improving the future. It is particularly dangerous when the romanticizing is done by governments that do it to keep themselves in power. This is what many East Asian politicians are up to, not least in Beijing and Singapore.

The Confucian world, these men say, is fortunate to have a special sort of politics, built on the Confucian principle of paternal efficiency. East Asia's people are orderly and industrious because they know that their governments are looking after their interests. So they do not need, explain these men in power, what the West means by democracy.

The claim to a special understanding between governors and governed is historically false. For much of history, most East Asian governments have been far from paternal efficiency, and most of the people have been horribly miserable. And this special pleading is also wrong about what ordinary people in East Asia want now.

It is fair to debate which variety of democracy is best suited to the temper of the different peoples of East Asia: presidential or parliamentary, representative or direct. But there can be no doubt that the basic principle of democracy appeals to them as much as it does to Europeans, Americans or anybody else. The basic principle is that governments must regularly submit themselves to the judgment of the governed. The ruled must always be able to overrule the rulers.

This is the idea Hong Kong wants to hold on to as unity with China approaches. It is also the idea that should fairly soon blow apart Japan's strange new government. Democracy really is a universal idea.

INTERNATIONAL HERALD TRIBUNE

A Democratic Palestine

It seemed almost anticlimactic for the PLO's Yasser Arafat to be making his first return home, to autonomous Gaza and Jericho, over the weekend. The Israeli-Palestinian peace accord has progressed in a fashion making his historic mission expected and normal. The crowds came out. There was no violence to speak of, although Jewish settlers cut off some roads to Jericho. Chairman Arafat saved his harshest words for donors who are holding back on delivery of their aid pledges until he accepts international standards of accountability. Israeli Prime Minister Yitzhak Rabin saved his own anger for the Israeli "radical right," which is trying, so far without success, to sabotage peace.

On Wednesday, Mr. Arafat and Mr. Rabin continued talks in Paris. The lead item was extending autonomy to the still Israeli-occupied areas of the West Bank. It was tough enough to work out security requirements for the 4,500 Jews in 16 settlements in Gaza; it will be far harder to protect the 120,000 Jews in 150 settlements in the West Bank.

Still, the task looks doable. Chairman Arafat's conciliatory words, the professionalism of his police and the public support or tolerance he currently enjoys — these give Prime Minister Rabin the political space he needs in order to give

Mr. Arafat the political space he needs. The Israelis serve their own interest by extending autonomy — and releasing prisoners — promptly and generously. This will enable Mr. Arafat to rebut the unfair but punishing charge that he is selling out the national cause.

The big event coming up is on Oct. 15, the first elections to an interim self-rule authority. At present, it suits the general convenience, including that of Israel and the United States, for the burden of administering the new entity to fall on Yasser Arafat. Not that he has proved that he can govern, least of all that he can govern democratically, but he does personally Palestinian nationalism. But the longer-term focus must turn to whether Palestine is to be yet another squalid and feudal Arab state or the first Arab democracy. For Mr. Arafat represents not only nationalism but bureaucratic power. This is what has put him in tension with home-based constituencies, both moderate-democratic and radical, in the West Bank and Gaza.

What a disaster it would be for the Palestinian people to come all this way and end up living in a petty police state. The United States should leave Palestinians in no doubt about the American commitment to a democratic Palestine.

— THE WASHINGTON POST

The Ultimate Censorship

A 31-year-old writer, Taslima Nasrin, has been given until Aug. 4 by a court in Bangladesh to come out of hiding and face arrest on charges of insulting Islam in a newspaper interview. If she does show up, she risks being killed. A Muslim fundamentalist leader has offered \$2,500 for her death; snake charmers threaten to release 10,000 venomous cobras unless she is hanged.

Ms. Nasrin has written a novel, "Lajja" ("Shame"), describing fanatic bigotry directed at a Hindu family in Dhaka by Muslim fundamentalists after Hindu temples in India were blown to pieces at an ancient mosque in Ayodhya in 1992. A rattled government has banned her book, and her feminist views are assailed by Islamic radicals as impious. The price on her head was obviously inspired by the bounty offered by Iranian mullahs for the death of Salman Rushdie, whose novel "The Satanic Verses" was also assailed as blasphemous.

It cannot be said too often: the true blasphemy is to kill, or threaten to kill,

anybody for writing a book. Religions are not threatened but protected by mutual tolerance, a lesson that the West has learned at bitter cost from inquisitions and witch-burnings. As often as not, this ultimate form of censorship springs from a political struggle. The late Ayatollah Khomeini exploited "The Satanic Verses" to reassert his flagging leadership of Iran's Islamic revolution. Karim Alrawi, a human rights advocate in Cairo, says it is not only militant Islamists who assail writers and artists in Egypt. "Members of Parliament are also having a go. They know a good headline grabber when they see it."

So the fever spreads, turning countries like Bangladesh, whose Muslim leaders once talked of secularism and tolerance, into republics of silence. Norway has laudably offered to mediate a safe-conduct exit for Taslima Nasrin. Meanwhile, to her persecutors, including a government that has surrendered to extremists, one word suffices: shame.

— THE NEW YORK TIMES

Helping to Realize the Promise of a Changing World

By Jean-Claude Paye

The writer is secretary-general of the Organization for Economic Cooperation and Development.

PARIS — Change can be disturbing, even frightening. The way economies work today is changing rapidly; political relationships are evolving, and social structures are in turmoil. The world has become less predictable, more prone to misunderstandings and rife with tension.

Yet this new world offers more — and more widely spread — rewards. Rather than resistance to change, there is a bur-

The marketplace that once extended across town now stretches around the globe.

geoning need for cooperation to decipher and manage the effects of all this change and spur it on. This is the role of the OECD. As the world moves faster, this role becomes all the more critical.

The transformation of economies is at the heart of world change. Today's economic transformation has a name: globalization. Interdependence is as old as international trade, but it has diversified and accelerated dramatically in the past decade, with trade liberalization, competition and technological progress. We live in a "global village."

More than a quarter of international trade in goods is now by air. Information is available simultaneously everywhere — and can be processed anywhere. For big and small companies alike, the mar-

ketplace that once extended across town now stretches around the globe.

Global markets draw more countries into the mainstream of economic development. Developing countries become better customers, but they also become new competitors, which sharpens world competition. This is good for consumers, who get wider choice at better prices, and it opens up new markets for producers. But this competition can also be felt as threatening, and can fuel demands for protectionist measures. This in turn aggravates international friction, which is best arrested through international cooperation.

Cooperation will, partially, take the form of new rules for the globalization game that cover a range of policies that were once in the purely national purview, such as tax, immigration, environment and rules for investment.

The spectacular political transformation of recent years should serve to buttress economic cooperation. The great ideological divide between East and West, with its consequences for the South, has almost disappeared. Former Communist countries and developing countries embrace pluralistic democracy and a market economy.

But disputes, frustration, even hatred

emerge. New or reborn nationalism, tribalism, religious intolerance and xenophobia are on the rise, no longer deterred by the risk of nuclear holocaust. No longer divided between North, East and South, the world looks fragmented.

The litmus test is before us. Will the United Nations be able to cope with the world security problem now that it is no longer stalled by systematic vetoes? At the same time, there is much reason for strengthened international economic cooperation, to buttress in its turn the new political structure.

Pervasive social upheaval, too, makes the world less predictable. In countries emerging from underdevelopment or command economies, the move toward market economies deeply disrupts social structures: a nascent ebullient capitalism often takes on rather wild features. And in the OECD countries, the challenges of a global economy are not matched by the necessary adjustments and innovations. Many in society feel daunted, and clinging to the present — or even seek to move the clock back — rather than anticipate and prepare for the future. Unemployment, poverty, exclusion, drugs, crime are unhappy manifestations of lurking change.

No wonder, then, that public opinion, uncomfortable with all this change, turns against its politicians. New generations, who little appreciate what a miracle half a century of growth and peace has been, protest discouraging prospects. Older generations resent having to abandon

their belief in ever rising living standards and ever enhanced security. Thus the pressures on governments to defend present, already quasi-obsolete interests, rather than build tomorrow's world.

The coincidence between the economic, political and social transformations makes it more difficult, yet all the more indispensable, to reinforce international cooperation.

For more than three decades, the OECD has proved its particular ability to identify emerging problem areas, provide good guidance and formulate solutions. In addition to its permanent role of monitoring and analyzing economic performance, it has moved decisively in recent years to set the principles for agricultural reform, explain interactions between technological change and economic development, help nations harmonize policies for international trade, foster the rapid transition to market economies in former Communist countries, and make policy recommendations to reduce it.

The OECD is helping to shape tomorrow's world economy by focusing on the process of globalization, fostering smooth societal change, and engaging the world's emerging economic powers in policy dialogue. Independent, competent, nonideological, practical reflection is more necessary than ever to cope with the challenges of a fast changing world economy. Fortunately there is the OECD to provide it.

INTERNATIONAL HERALD TRIBUNE

Back to History as Usual, Which Means Genuine Complexity

By William Pfaff

PARIS — The Cold War was said to have ended with the fall of the Berlin Wall, but the withdrawal of Allied troops from Berlin marks its real end, removing all foreign forces from Central Europe. President Bill Clinton's speech at the Brandenburg Gate next Tuesday will end a 50-year American engagement in Central Europe that had no precedent, and which, one must hope, will require no sequel.

The Allied units remaining in Germany are no longer there for Cold War reasons but as part of a common effort, in which Germany is a full partner, to institutionalize a new collective security against threats that can only be identified in abstractions: disorder, extremism, nationalism, national breakdown.

No tangible security threat to North America or to Central and Western Europe — or to Russia — now exists. Yet the perception of a generalized insecurity is much stronger today than it was when the Allies lived by mutual nuclear threat, their societies organized for war.

There are good and bad reasons for this sense of insecurity.

The weakening or disintegration of certain social structures in the former Communist countries, and the economic upheaval they experience, nourish extremist reactions of the kind that have ravaged the former Yugoslavia and were commonplace, and lethal, during the interwar years. Radicalism in the Islamic world is perceived as a threat, at least indirectly, not only because of its practice of terrorism but because it generates refugee flows toward the Western countries. The same is true of the breakdown of African states.

The lack of an explanation for all of this also causes insecurity, and this has perhaps the greater influence on Western policy thinking. A search has been on for some time to find a theory, an idea, that will make sense of this situation, or at least the possibility of a sweeping solution. We miss Marxism, the theory

that explained everything. The anti-Communists may miss it even more than the Marxists. It gave a political meaning to their existence as well as to that of the Communists, providing both with their policy agendas.

The search for a unifying theory of foreign policy has been going on in the United States since the Cold War ended, and certainly since the Clinton administration took office.

Mr. Clinton started out by appropriating the Bush administration's argument that since communism had collapsed, the world now was taking up democracy, and the United States had only to lend its cooperation. This proved neither true nor useful in the situations that the United States has found itself in — Somalia, Bosnia, Haiti, North Korea and Rwanda.

Francis Fukuyama's theory about the end of history and Samuel Huntington's vision of coming wars between civilizations found an audience among

policy-makers because they seem to offer the missing general explanation. However, the true unifying theme is that there is no theme. There is no single threat today, hence no single answer. There are discrete problems.

There is the problem of re-establishing Russia in a responsible role in the international system. There is the challenge of assuring the security of the former Communist-controlled states in Central and Eastern Europe without isolating Russia.

There is the problem of national development and international aggression in the Soviet successor states and the Balkans, where people are driven by nationalist emotions disproportionate to their social and economic capacity to function as modern nations.

There are the problems produced by economic and demographic pressures in the nations adjacent to the industrial nations, provoking migratory flows as well as political conflicts.

There is Africa, where Western national interests may not be engaged but human solidari-

ty is affronted by the collapse of social structures and by terrifying ethnic-tribal conflicts.

There are competitive tensions among the advanced nations themselves, which have political consequences. Economic rivalry between Japan and the United States has already provoked demographic reactions that go as far as the forecast of war.

But none of this possesses a common theme. This is history as it usually happens. The important thing today is not to be panicked by the loss of a unifying theme in international relations. The challenge is to take problems for what they are.

The Cold War had a theme; it was an exceptional period. We are well out of it. We now are back to the usual disorder of history. As Mr. Clinton and his associates have discovered, living with complexity is very hard. But it is better than dealing with the lethal simplifications that dominated international relations between 1918 and 1989.

INTERNATIONAL HERALD TRIBUNE
© Los Angeles Times Syndicate

Bad Precedents Make for Weak American Thinking About War

By Jim Hoagland

WASHINGTON — Shortly after Operation Desert Storm blew the Iraqi army out of Kuwait in 1991, General Maurice Schmitt, then chief of staff of France's armed forces, visited a foreign general to talk about the future of war. It will never be the same, he said.

No army in a democracy can fight a war again without the fear of looking ridiculous unless it wins in a week or less using smart bombs and suffering almost no casualties, the general worried aloud, his fellow chief of staff recalled later.

I thought of General Schmitt's fear of the psychological consequences of the too perfect victory this week while reading David Gompert's illuminating article on the wars of ex-Yugoslavia in the

summer issue of Foreign Affairs. Mr. Gompert confirms that performance anxiety has become a feature of war planning because of the high standards (of public relations as well as war-making) set by Colin Powell and Norman Schwarzkopf.

Mr. Gompert held a key policy job on the National Security Council staff in the last two years of the Bush administration. He describes how the lessons the American public was encouraged to learn from Operation Desert Storm strongly inhibited the U.S. response to Serbia's war of aggression in Bosnia.

"Desert Storm taught the American people, wrongly, that vital interests could be defended

with a handful of casualties in a video game war," Mr. Gompert declares. The Bush foreign policy team concluded that "popular backing for the use of force in Yugoslavia, ambivalent at the outset, would quickly evaporate."

Unconsciously echoing the French general's lament about the future of war in electronically guided democracies, Mr. Gompert's article shows how and why the Bush administration refused a leadership role in Yugoslavia.

"Following the Gulf War, a leading role in Yugoslavia would have implied that the United States could and would act as international policemen, even in an area of more immediate importance to America's rich Euro-

pean partners." That was clearly a role Mr. Bush did not want to pursue, the author suggests, despite the earlier pledge to found a "new world order."

"Only massive Western intervention would have stopped and reversed Serbian aggression, not some smart bomb down the right Serbian chimney," Mr. Gompert continues. "The United States faced by far the largest risk because it had (and has) the only real intervention capability." President Bush's decision not to allow American ground forces to play any role under any circumstances in Bosnia effectively precluded large-scale Western military intervention.

Mr. Gompert's article is entitled "How to Defeat Serbia." But his game plan for increased sanctions enforcement and an "information war" against Slobodan Milosevic's Belgrade regime is the least interesting part of what he has to say. There are obvious remedies. He does not lay out a prescription for developing the political will in Europe and America needed to impose them on the Serbs.

Far more interesting is his crisp analysis of the major policy failure in Bosnia.

Like many former Bush aides, he is critical of the Clinton administration's undisguised vacillation on Bosnia. But unlike James Baker, Brent Scowcroft and Lawrence Eagleburger, Mr. Gompert (formerly a Bush administration official) details the Bush administration's own, crucial failures on Bosnia.

"U.S. handling of the Yugoslav crisis from 1990 through 1992 con-

tradicted and undermined its declared policy regarding the ending and purpose of NATO in post-Cold War Europe," he writes. "The Bush administration did not press for the use of NATO to set and manage Western strategy, much less to intervene."

He correctly judges that "at the root of American failure was West European failure." But he then passes too quickly over his contention that the West Europeans lack the military capacity (as well as the political consensus) to intervene in former Yugoslavia on their own. How the European "pillar" of NATO became so shaky so quickly would be an interesting story in its own right.

The president's advisers knew that Western military intervention in Bosnia really meant American military intervention with token allied forces. ... Only the United States would be under pressure to escalate its involvement to ensure success. ... Once committed, the United States would then have to use all necessary force to avoid failure," and Mr. Bush would not gamble "that the Serbs would have their nerve when confronted with American might."

This is history that casts a long shadow on the future. America emerged from Vietnam with an exaggerated sense of total defeat and from Iraq with an exaggerated sense of total victory. Carefully read, the article helps us understand how both precedents combine to constrain and undermine America's real power in a new era that still needs its leadership.

The Washington Post

For Somalia's Sake, Get the UN Out

By Michael Maren

NEW YORK — Once again, United Nations peacekeepers are crowded behind sandbags watching Somalia's factions fight it out.

This round of fighting, the heaviest since before the U.S.-led intervention in December 1992, was started by Mohammed Ali Mahdi, who means to drive his rival, Mohammed Farah Aidid, out of Mogadishu once and for all.

To its credit, the United Nations has not become involved in the clashes. But if the peacekeepers aren't keeping the peace, what are they doing? Why did the Security Council extend the mandate for the operation until the end of September? The cost will be more than \$300 million, beyond the \$1.5 billion already spent.

More importantly, the extension perpetuates policies that have been directly responsible for suspending Somalia in a state of war. The UN strategy has been in place since November, when the world body removed General Aidid from its most-wanted list and escorted him to the conference table.

In March, as U.S. troops were completing their withdrawal, the United Nations announced that the factions' leaders had signed a peace accord and agreed on a date for a reconciliation conference. Skeptics pointed out that the leaders had nothing to negotiate; neither General Aidid nor Mr. Ali Mahdi was prepared to settle for anything less than the presidency. Those suspicions

were confirmed in May when the planned conference was postponed for the fourth time after no one showed up.

Desperate to put its seal on some kind of agreement, the United Nations has pinned its hopes on the warlords, failing to see that their interests are served by prolonging the conflict. Worse, it is providing incentive for them to keep fighting.

In the most violently contested areas, the UN presence means jobs, contracts and money. The United Nations rents houses, hires trucks and issues millions of dollars in contracts and subcontracts to businessmen with close ties to the warlords.

In addition, for two months some of the fiercest battles in Mogadishu have been around the airport, as clan militias jockey to control the corridors through which UN-imported food and equipment pass.

Areas without a UN presence have been relatively peaceful. An example is Galcaio, a central town situated between major feuding clans. During the civil war, it was the site of some of the heaviest fighting in the country. Then in May last year meetings among community leaders, religious figures, businessmen, students and representatives of the factions produced a peace accord that has held for more than a year. The United Nations played no role in the meetings.

On a stroll through the quiet

streets of the town two months ago, I asked the regional governor where the once ubiquitous "technical" had gone. "The boys are doing business," he said. They had removed the weapons from their trucks and begun transporting livestock to Bossaso, a port in the north. They returned with imported beans, rice and other goods.

The cease-fire has endured because members of both clans need the 750-kilometer road from Galcaio to Bossaso. Since there is almost no foreign assistance in the region, people depend on the peace, not on United Nations contracts.

The next day I drove to Bossaso, without weapons and part of the way at night. There I also found peace, commerce and people from different clans doing business. I came across a close relative of General Aidid who was concluding a deal to set up a satellite telephone system in partnership with a political rival.

The fear now is that the fighting in Mogadishu will spread — that the clan members will have to shoot the goats off the trucks and remount the guns. The best thing the United Nations can do is leave and acknowledge that the only enduring peace will be the one the Somalis carve out for themselves.

The writer, who has worked for international aid organizations in Africa, is preparing a book about the origin of the conflicts in Somalia. He contributed this comment to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: A Curious Object

LONDON — The evening papers contain the following exciting news: "The Southampton police have arrested an American who attempted to shoot a boy. On being arrested a remarkable instrument was found on him. It had a number of delicate springs. When closed the instrument formed a knuckleduster, by touching a spring it formed a dagger, while a second spring converted it into a six-chambered revolver." It is reported that on touching a third spring the article became a ham sandwich and a bottle of ale, which the prisoner devoured.

1919: America's Share

NEW YORK — Yesterday [July 6] from the George Washington, President Wilson, delivered by wireless his reply to those who are advocating America's return to a

policy of isolated nationalism. He declared they must continue to put America at the service of mankind, and forecasted the campaign he will probably make in the United States, if he believes it to be necessary, to carry out the assurances he gave to the Paris Conference of America's willingness to bear her share of the burden in the new order of things.

1944: London Under Fire

LONDON — [From our New York edition:] Prime Minister Churchill revealed in the House of Commons today [July 6] that 150 flying bombs have been sent into England every day for almost three weeks, and that 10,000 persons, mostly in greater London, have been killed or seriously hurt by them. Churchill said that London already is being evacuated of school children and whoever else has no function in the war effort.

International Herald Tribune
ESTABLISHED 1857
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairmen
RICHARD MCLEAN, Publisher & Chief Executive
JOHN VINOCUR, Executive Editor & Vice President
WALTER WELLS, News Editor • SAMUEL ABT, KATHERINE KNORR and
CHARLES MITCHELMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor
• ROBERT J. DONAHUE, Editor of the Editorial Pages • JONATHAN GAGE, Business and Finance Editor
• RENÉ BONDY, Deputy Publisher • JAMES MCLEOD, Advertising Director
• JUANITA CASPARI, International Development Director • ROBERT FARRÉ, Circulation Director, Europe
Director of the Publication: Richard D. Simmons
Director Adjunct of the Publication: Katherine P. Darrow
International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 46.37.93.00, Fax: (1) 46.37.06.51, Adv.: 46.37.32.12, Internet: IHT@eurocom.fr
Editor for Asia: Michael Richardson, 30 Century Rd., Singapore 0311, Tel. (65) 472-7788, Fax (65) 224-2334
Mgr. Dir. Asia: Raj D. Ranagiri, 30 Century Rd., Hong Kong, Tel. 852-922-1188, Fax: 852-922-1190
Gen. Mgr. Europe: T. Schiller, Friedrichstr. 15, 10117 Berlin, Tel. (49) 30 77 67 55, Fax: (49) 30 77 73 10
Pres. U.S.: Michael Conroy, 850 Third Ave., New York, N.Y. 10022, Tel. (212) 755-3890, Fax: (212) 755-3893
U.S. Advertising Office: 63 Long Acre, London WC2E, Tel. (071) 836-4802, Fax: (071) 340-2254
S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
© 1994, International Herald Tribune. All rights reserved. ISSN: 0294-8052

OPINION

A Nordpolitik Is the Way To Ease Pyongyang's Fall

By Flora Lewis

PARIS — With renewed U.S. North Korean talks scheduled on the nuclear issue and the first ever North-South Korean summit meeting set for later this month, the Clinton administration is resisting pressure to take decisive action against Pyongyang. But the pressure is mounting within the United States and Washington is responsible for failing to explain the context of the confrontation.

Even so practiced a strategist as Henry Kissinger professes to find it odd that China, Japan and South Korea "seem not to perceive their risks" if international controls do not demonstrably put an end to North Korea's unprovoked atomic weapons program. As he noted in this space on Monday, they are the closest neighbors and would be most exposed.

The point is precisely that as neighbors they do not separate the nuclear threat from all the others that isolated North Korea poses to the region. They know, as Washington seems to overlook, that North Korea is not only a regime. It is a country of 20 million (compared with 40 million in the South), armed to the teeth, hungry, short of everything except weapons.

There is a will to unification on both sides of the dividing line imposed by the victors in World War II, as the line between East and West Germany was imposed when Soviet and Western armies met. But there is no longer the slightest question of which side would dominate when the line is eventually erased.

Now 82, Kim Il Sung thought he would take over when he invaded South Korea with Stalin's support in 1950. Not only Stalin and the Soviet Union are gone. South Korea is flourishing and the Stalinist North has failed, unable even to launch the economic and social reforms which are transforming China while preserving its regime.

So the most pressing danger felt by its neighbors is the sudden collapse of the North, unleashing millions of desperate refugees and requiring vast efforts to restore a ruined land. The scale would be much greater than West Germany's task in absorbing 17 million East Germans, and absolutely nothing has begun to ease a transition.

Nobody — including Beijing, according to its senior officials — knows Kim Il Sung's real intentions and his game plan. His nuclear ambitions and his tricky maneuvers have to be taken seriously. So U.S. military reinforcements are both prudent and a way of sending a message

that provocation won't work. But it is nonsense to say, as Mr. Kissinger does, that American troops "shorn of their tactical nuclear shield, will find themselves in a precarious position." Removal of U.S. battlefield nuclear shield, and I have never found a field commander anywhere who said he could think of any circumstances in which he would want to use these pointless tactical weapons.

The problem for Washington is not that concessions have been made to Pyongyang as inducements to submit to international inspection. It is that the measures most needed to defuse the overall risks are seen as concessions rather than as the gains they would represent for U.S. policy, South Korea's future and regional stability.

The requirement is a South Korean "Nordpolitik," comparable to West Germany's Ostpolitik of the 1970s, which opened contacts, brought trade, transcended the propaganda of inevitable enmity. Washington did not like Bonn's idea at the time, but came to realize that it played a valuable role in ending partition peacefully (and indeed in undermining the Soviet regime, not a factor in Korea).

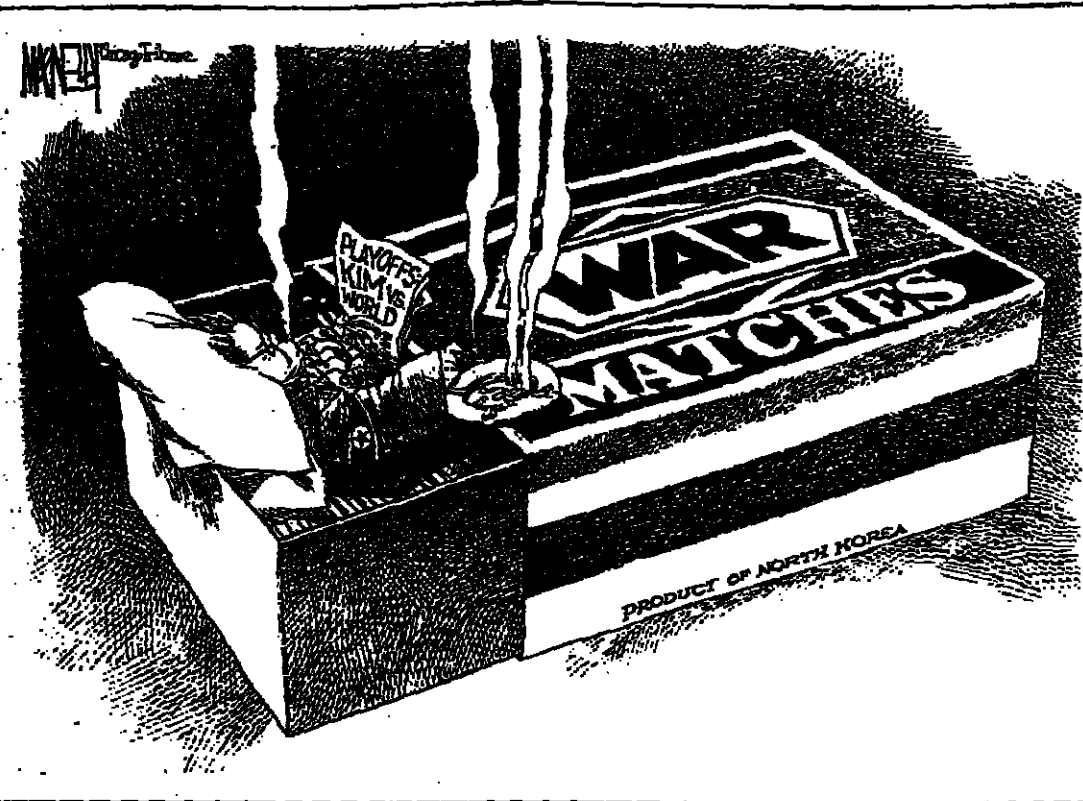
Seoul, so long under military rule which benefited from stark confrontation, never tried that approach. Now it is a civilian more-or-less democracy and should get over its ingrained habit of fearing that North Korea lies and terrorism can subvert it. It has all the real strength.

If Kim Il Sung, with his bizarre megalomania, wants relations with the United States, trade openings, even investment as the price of nuclear blackmail, fine; insist on it. He might think it will give his regime a breathing spell. That's all right, too. It will soften it up so that when the inevitable fall comes, it won't be as explosive as it would be now.

He has been able to force his own way of thinking on Washington, bringing a knee-jerk reaction. The nuclear play is only a part of the larger menace that the North Korean dictatorship poses, and this should be seen.

Care must be taken that any warheads it has or may develop are not sold to rogue states in other parts of the world. For that, the conference that Russia is proposing can be most useful. But care must also be taken not to fall into the trap that Kim Il Sung is trying to set by exploiting his weakness. Isolation benefits him, even as it blinds him.

© Flora Lewis



More on the Mayor's Mind Than a Palermo Wedding

By Alan Friedman

PALERMO — It was hot in the shade as we waited for the mayor, late on a Saturday afternoon. The streets of central Palermo were virtually deserted, which for some reason made everything seem much more dusty. The bride wore a white

MEANWHILE

pants suit by Valentino and giggled nervously when we began to hear the sirens blare. The groom was clad in elegant black, also Valentino.

"Here he comes!" shouted a wedding guest, and three Alfa Romeos screeched to a halt. Eleven bodyguards in helmets and bulletproof vests leapt out with pistols raised. Looking slightly overweight, Mayor Leoluca Orlando heaved himself out and up the marble stairs into city hall.

A few minutes later the wedding began, the bodyguards now positioned discreetly outside the may-

or's guided and high-ceilinged office in the 15th century Palazzo delle Aquile. My friends from Milano, Emanuela and Raffaele, had always admired this firebrand of an anti-Mafia politician, and when they decided to get married they asked Mr. Orlando if he would preside.

I had first met Mayor Orlando in the 1980s, when he rode a wave of anti-Mafia revulsion in Palermo, left the Christian Democratic party and founded his own anti-corruption party, La Rete. Over the years, he became a national figure, taunting the now discredited former Prime Ministers Giulio Andreotti and Bettino Craxi long before this became the fashion in Italian politics.

Like Judge Giovanni Falcone, the anti-Mafia judge who challenged the Cosa Nostra in the courts and was murdered two years ago as a result, Mr. Orlando became a Mafia target. Lately, he and his neophyte followers may have focused too much on the anti-Mafia theme; they have been very nearly swept away by the tidal wave of an even greater political novice, Silvio Berlusconi and his Forza Italia.

Now, as I watched my friends exchange rings, I noticed that the mayor looked tired. His hair was too long and unkempt, his gray suit was rumpled and he had heavy bags under his eyes. Being an anti-Mafia hero is obviously hard work.

When the wedding was over, he asked me to stay behind for a chat. I watched my friends file out, heading off to a banquet at a magnificent seaside restaurant in the village of Mondello, just west of Palermo. The mayor said not to worry, he would get me to the wedding party on time.

We went off to have a coffee together, and the mayor talked about the hard times he was having in Italian politics. I listened carefully and suggested he at least try to take better care of himself.

I learned from one of his bodyguards that it wasn't just the rough and tumble of Sicilian politics that was bothering the mayor. The night before, a group of his top aides had strolled out of a meeting to find their cars doused with gasoline. "It was just a Mafia warning," said one of the bodyguards, pausing to spit. "It means next time for real."

Thirty minutes later, as the bodyguard gave me a lift in one of the Alfas and we sped across the city on our way to dinner, I thought about the wedding in Palermo. For me it was a weekend of fun and adventure. For the mayor it was all a bit more real. Quite a bit more.

International Herald Tribune

LETTERS TO THE EDITOR

Africa Can Go Forward

In response to the series by John Darton "In Africa, a Mood of Desperation" (June 20), "Africans See Colonialists Back in New Guise" (June 21) and "Africa's Move to Political Freedom Liberates Ethnic Hatred as Well" (June 22):

At a time when so little attention is usually given to Africa, the publication of these three articles is very opportune. Yet the image of Africa that emerges — as the world's only region with declining real incomes, increasing proportions of the population in poverty, growing food insecurity and widening diseases — is alarming. Sometimes, even, the question is posed: Will anything work?

In fact, a great deal is changing in Africa, and these changes together with the talents and entrepreneurship of Africa's peoples offer grounds for more hope for the future.

Recent political changes — multi-racial democracy in South Africa and Namibia, the holding of elections in Benin, Zambia and other countries, greater stability in Mozambique — tend to be obscured by crises elsewhere on the continent, but they are encouraging.

On the economic front, what is particularly striking is that so many countries in Africa have looked at their future and decided to bear the enormous costs and burdens of reforms. Given the declines in African per capita incomes in the last decade, the current willingness to accept fur-

ther costs of adjustment is a remarkably brave one. The determination of these countries deserves an equal commitment by external donors.

The population of Africa is overwhelmingly rural and the bulk are very poor. The greater part of its economy is in the hands of small, poor producers — particularly women farmers, who account for most of Africa's food production. Coming to grips with Africa's development problems has to mean coming to grips with rural poverty and reducing the vulnerability to drought and desertification.

Macroeconomic reforms are part of the answer. But resumption of Africa's development requires more than adjustments in exchange rates and prices. The challenge is to overcome the constraints facing Africa's smallholder farmers, herders, fishermen, traders and artisans, who represent the majority of the populations of most countries. This requires targeted assistance to these groups, in the form of credit, improved techniques, roads and transportation, as well as for schools and primary health care.

Such assistance must be designed and implemented with the full participation of the intended beneficiaries, so that it is relevant to their needs and they have a sense of ownership of the projects. Moreover, it needs to be on a meaningful scale and over a long enough period so that a significant proportion of the poor are reached. A more vibrant farm econo-

my could then provide a solid platform on which a wider process of development can be sustained.

Projects supported by the International Fund for Agricultural Development and some others in virtually every country in sub-Saharan Africa repeatedly have shown that when offered opportunities to raise productivity, Africans seize them eagerly and effectively.

There is by now enough development experience to give confidence that well-designed participative approaches do work. There are today governments, local institutions and, above all, the people of Africa, willing to undertake reform at great cost to themselves in order to harness their productive abilities. Refusing them adequate support now would be a deep failure of the international community, not only in humanitarian terms but in terms of our collective well-being.

If these problems are not addressed now, they will remain with greater tragedy and emergencies in the years to come in ways that will leave none of us untouched.

FAWZI H. al-SULTAN,
President,
International Fund for
Agricultural Development,
Rome.

Leadership for the Asking

In your June 28 issue, three texts dealing with Africa insist on giving a

better and more appropriate way of life to this unfortunate continent. In the editorial "A Way to Help Africa," the well-known technique called in French "l'ny a qu'à..." ("One just has to...") is widely used. The key phrase, however, is there: "Africans must accept responsibility for changing."

A letter to the editor from Charles Bodwell ("Africa: Solutions Do Exist") does not even mention African cooperation — always badly missing. A second editorial, "Before the Next Rwanda," suggests that in order to prevent African conflicts, permanent forces and supplies should be made ready "before the crisis." Who is ready to support such expenses? The UN Security Council doesn't have a dime.

The only hope for Africa is the prospect of clear-sighted and efficient leadership from the renovated republic of South Africa. Knowledge, strength and modernity are in the hands of Pretoria. Is all the neighborhood prepared to accept this supreme chance?

JEAN M. G. CHESNEAU,
La-Croix-Valmer, France.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Europe's No. 1 telecommunications company is helping east-west business get into full swing.

The Commonwealth of Independent States (CIS) needs access to western market economies. Equally, many European companies are interested in developing new business relationships further east. A fully functioning telecommunications infrastructure is a fundamental prerequisite for meeting these objectives.

And it's on this international, east-west stage that Telekom is currently making a vital contribution. Together with other partners from German industry, we have founded Romantis GmbH to create a satellite-supported communications network in the CIS. This will link the CIS countries to each other and to the western telephone network.

But there's no need to wait until then: Telekom can already offer companies a superfast data highway to even the remotest location in the east.

Via Intelsat and the Russian Intersputnik system, we keep you

in constant touch with your eastern contacts, so that together you can really get business moving.

So, in the interests of economic recovery and good inter-country relations, we're thinking a long way ahead.

If you, too, have demanding communications challenges to solve in the east, have a word with the No. 1 in Europe: Telekom.

Telecommunications
made in Germany.



We tie markets together.

Telekom

London
Tel.: +44 71 287 1711
Fax: +44 71 287 5036

New York, NY
Tel.: +1 212 424-2800
Fax: +1 212 424-2909

Tokyo
Tel.: +81 3 52 13 86 11
Fax: +81 3 52 13 86 32

Paris
Tel.: +33 1 44 43 00 00
Fax: +33 1 44 43 00 10

Moscow
Tel.: +7 50 22 56 51 09
Fax: +7 50 22 56 51 10

Brussels
Tel.: +32 2 775 05 11
Fax: +32 2 775 05 99

Koblenz
International Key
Account Management
Tel.: +49 261 1 23 11
Fax: +49 261 3 82 82

HEALTH/SCIENCE

AIDS Mystery Re-emerges: Did Dentist Infect 6 Patients?

By Lawrence K. Altman
New York Times Service

NEW YORK — Controversy over an investigation that linked transmission of the AIDS virus from an infected Florida dentist to six of his patients has flared up again. Recently, there were suggestions that the infections occurred outside the office of the dentist, Dr. David J. Acer of Stuart, near Palm Beach, and that he was not responsible for any of them.

These critics contend that the six patients probably became infected with HIV, the AIDS virus, through risks that epidemiologists from the Federal Centers for Disease Control and Prevention in Atlanta and the Florida Health Department failed to identify or overlook.

The critics also contend that each of the six patients, who ranged from teenagers to

people in their 60s, had risk factors that the centers had ignored and that each independently picked up the same strain of HIV from others in the community. All just happened to have gone to Dr. Acer, critics say. But the contentions are far from persuasive in countering the centers' conclusion, which was based on epidemiological, laboratory and statistical findings.

Dr. Harold W. Jaffe, an AIDS epidemiologist who headed the investigation for the centers, said his agency knew about the patients' reported risk factors and investigated them. He said the critics offered no evidence to contradict the centers' conclusions that Dr. Acer had passed the virus to the six patients. Nevertheless, how the dentist passed it remains one of the biggest mysteries in the annals of epidemiology.

Many of the details have emerged from news reports and depositions by those involved in lawsuits against insurance com-

panies. Dr. Jaffe said the disease centers knew about most of these details and chose not to report them, in the interest of protecting patient confidentiality, because they considered them irrelevant.

Dr. Jaffe said the suggestion that the infections were acquired in the community ran counter to the evidence epidemiologists had collected. Further, if it eventually turns out that the patients did independently pick up the same strain of the virus, Dr. Jaffe said, it would be the first time that such a cluster had been identified among individuals who had no apparent relationship with each other.

So far no proof exists to support this suggestion. What it would take, he said, is finding sexual partners of the six individuals who were also infected with the same strain. The critics say that if the same strain is found in other people in the community, then Dr. Acer would not necessarily be

responsible for infecting the six patients. Dr. Jaffe disputes this. "In making a case for transmission in the dental practice, we needed to show that the dentist's viral strain was more common among patients in his practice than among people in the community, not that they were the only people with that strain," he said.

Controversy over the Acer center began to emerge in 1990 when the centers reported that Kimberly Bergalis had apparently been infected by him. An investigation eventually identified five other patients who, results of genetic tests of the virus showed, had become infected with nearly identical strains over a period of about 18 months.

The tests detected the sequence of the pieces of DNA in HIV that code for the virus's outer shell, or envelope. By analyzing the sequences, scientists can compare patterns and group them. The tests are labor-intensive, usually taking more than a month.

In the investigation, about half of Dr. Acer's estimated 2,000 patients volunteered to have HIV tests. Ten were found to be infected, through the tests or through case registries. Four had well-documented risks for infection. The other six had no confirmed exposure to HIV. Further analysis of the sequences, which was performed at the Los Alamos National Laboratory in New Mexico, showed these six had similar strains and the four others had entirely different strains.

The findings pointed to Dr. Acer's practice. But such tests cannot tell who infected whom, nor how Dr. Acer might have transmitted the virus. Such evidence comes from interviews and other features of an epidemiological investigation. Explanations have ranged widely, from Dr. Acer nicking a finger and allowing a little of his blood to flow into a dental wound in a patient's mouth, to murder. But none could be

proved. The patients denied having sex with Dr. Acer, and rape was ruled out because none had had general anesthesia. Investigators did not find the partner who presumably infected Dr. Acer, who was bisexual.

"The weakness of the Dr. Acer case is that we don't know how transmission occurred," Dr. Jaffe said. "In some people's minds that is equivalent to saying that transmission did not occur, but we don't agree."

Dr. Jaffe has acknowledged gaps in the investigation. Dr. Acer was interviewed only once, agreeing then to give a blood sample for the genetic tests. The next day he hired a lawyer, who did not allow any other interview. Dr. Acer closed his office in August 1989 and died of AIDS a year later. His appointment books and many patient records, which would have been helpful in the investigation, were destroyed when he closed his practice.

New Treatments for Spine

By Jane E. Brody
New York Times Service

NEW YORK — The assumption that severe spinal cord injuries cause permanent, incurable paralysis is being challenged by studies suggesting that some "dead" nerve cells can revive or regenerate.

The findings open the possibility that doctors may one day be able to reverse part or all of the crippling caused by accidents that crush or sever the spinal cord. Most of the studies, conducted in animals, involve the transplantation of nerve cells from fetal spinal cords. Nerve growth stimulants are already being used experimentally in people who suffer spinal injuries. When given soon after the injury occurs, the treatments seem to promote growth of nerve fibers, only a small percentage of which are needed to produce significant functional gains. And steroids, now being used routinely within hours of the accident can limit the extent of damage to the spinal cord and often enable patients to regain at least some of the functions lost.

Even after initial recovery, surgery to reduce pressure on the spinal cord or to remove cysts, which often form as a result of the injury, sometimes results in life-enhancing improvements, like the ability to get in and out of a wheelchair unaided or even to walk with special aids.

After the football player Dennis Byrd of the New York Jets was injured in 1992, he was treated with Sygen, an experimental drug that helps repair spinal cord nerves, and steroids. Although initially he could not move his legs or arms, he can now walk.

The spinal cord, the brain's link to the rest of the body, is like a telephone trunk line with 31 pairs of individual lines extending from it to transmit messages from the brain to the rest of the body and to send sensory signals from organs and tissues along the lines back to the brain. When the cord is severely injured or severed, communication to and from all points beneath the injury site is cut off, resulting in paralysis and loss of feeling.

The extent of crippling effects depends upon where the disruption occurs, with injuries higher up on the spine the most severe. Injuries to the cervical spine, in the neck, like those that occur in diving accidents, cause the greatest devastation.

For example, people who have injured the cord at cervical vertebrae 2 through 4 have no ability to move their upper and lower extremities, although there is some remaining control of neck muscles. In addition, those with cervical 2 injuries require breathing assistance.

But if the injury occurs one vertebra lower, at

cervical 5, patients can use their biceps, enabling them to feed themselves with special equipment. Patients injured at cervical 6 are able to bathe, themselves, drive and prepare simple meals.

Although paralysis occurs immediately when the spinal cord is severely injured, much of the permanent damage to nerve tissue takes place during the first four to six hours after the injury. Circulation is impaired and hemorrhages at the site further disrupt the oxygen supply, causing surrounding nerve cells to die. Swelling and scar tissue complicate matters, spreading the damage up and down the cord.

Timely treatment with steroids and other drugs can limit the severity of the injury and the extent of paralysis and loss of sensation. But the most exciting developments are still highly experimental, involving the transplantation of fetal nerve tissue to fill in the gap in the spinal cord or bypass the injury site. Many rats and some cats given fetal tissue implants following spinal cord injuries showed significant return of function. However, re-

searchers say it will be at least a decade before such measures are tried in patients.

Meanwhile, at spinal treatment centers around the country, doctors and rehabilitation therapists are helping people with spinal cord injuries make the most of the functions that are intact and cope better with those that are not.

Dr. Barth Green, who directs the Miami Project, which he describes as the world's largest spinal cord research center, said, "Our long-term goal is to reconnect the spinal cord, but our short-term goal is to improve the quality of life of spinal-injured people."

At his and other centers, patients get help with such common problems as pain control, pressure sores, spastic bladder function, sexuality and reproduction. The techniques used include surgery, biofeedback and computerized neuromuscular electrical stimulation.

Perhaps most challenging of all are the psychological adjustments required after a spinal cord injury. In a recent review of the problem in *The New England Journal of Medicine*, Dr. John F. Ditunno Jr. and Dr. Christopher S. Fernald of Philadelphia noted that the majority of people with spinal injuries "still rate their quality of life as 'good' or 'excellent.'"

Still, they added, the divorce rate is high during the first years after the injury, half of the patients who were working before the accident never return to work and suicide is more frequent, especially among those who remain unemployed and socially isolated after the injury. Psychosocial and occupational therapy can be as important as physical rehabilitation in improving the lives of people with spinal cord injuries.

Know the water's depth

A minimum depth of 10 feet is recommended for adults.

■ In a pool, determine where the bottom slopes near walls and toward the shallow end.

■ In a natural body of water, wade in first to check for rocks, tree limbs or other objects.

For competitive diving, don't attempt difficult dives. Never dive into any above-ground pool or from a ladder or rooftop into a residential pool.

Plan ahead; steer up

Plan your trajectory before you dive: you will need a dive path at least 25 feet long, free of swimmers and other obstacles. As you push off, your arms and hands should be extended, your head tilted up. Steer up as you hit the water by arching your back and aiming upward with your hands.

Have an audience

Never dive alone.

NEVER dive when you have been drinking; nearly half of all diving accidents victims had been drinking beforehand.



Sources:
National Swimming Pool Foundation;
National Spinal Cord Injury Research Data Center

The New York Times

Paralysis: A High Price to Pay in Diving Accidents

New York Times Service

NEW YORK — On March 28, Thomas Rezza, a collegiate swimmer from Massachusetts who was on his spring break in Key West, Florida, dove from a motel pier into the murky, shallow waters of the Atlantic Ocean and broke his neck. He was paralyzed from the neck down and suffered severe brain damage.

Eight years earlier, Aaron Stromholt, 17, of Key West also became a quadriplegic after diving from that pier, which extends 300 feet (about 90 meters) from the shoreline, prompting some people to expect deep water below despite signs proclaiming "No Diving, Shallow Water."

Two years before Mr. Stromholt's accident, Robin Schimmel, a high school senior and football hero, met with the same fate off the same pier, and two years before that accident, another young man had a similar one.

There are many piers and docks extending over shallow waters, and tragedies occur hundreds of times a year in pools and natural bodies of water, mostly involving male teenagers.

In May 1992, two brothers in their mid-20s, John and Virgil Brown of New York, dove into water that was five feet deep from a crowded pier on Coney Island, struck their heads on the seabed and suffered paralyzing neck injuries.

Stanley M. Rosenblatt, a Miami lawyer who won a \$4.2 million personal injury award for Mr. Stromholt, asked, "How many young people must become quadriplegics from diving accidents before meaningful action is taken to prevent such tragedies?"

Mr. Stromholt's doctor, Barth Green, who heads the spinal cord unit at Jackson Memorial Hospital in Miami and the Miami Project to Cure Paralysis, has found that most diving victims had no

idea that they could be so severely injured by diving into shallow water.

"Unfortunately," Mr. Rosenblatt said, "drowning victims receive their education in spinal cord units throughout this country." Mr. Rosenblatt, Dr. Green and Mr. Stromholt, who despite his severe injury has since graduated from Florida State University and is now seeking to attend law school, want to get the word out to help other young people avoid a similar fate.

Diving accidents usually result in severe injuries; more than 90 percent of victims who hit their heads on the bottom become quadriplegic, unable to control the use of much of any part of the body below the neck. But diving is only one cause of paralyzing spinal cord injuries.

Of the 10,000 such injuries in the United States that occur each year, only 10 percent were the result of a miscal-

lated dive. One study of diving accidents found that most victims had had little or no diving training and more than half had been drinking alcohol.

There are now more than 200,000 Americans maimed by spinal cord injuries and the number increases annually. Forty-five percent result from motor vehicle accidents, 22 percent from falls, 16 percent from acts of violence and the remainder from sports injuries.

In addition to diving, which accounts for two-thirds of sports-related spinal injuries, other summer sports that can result in irreversible spinal cord damage include surfing, roller-skating, in-line skating, skateboarding, bicycling, rock climbing and motorcycling. Eighty-two percent of victims are male, and three out of five are 16 to 30.

Jane E. Brody

BRIDGE

By Alan Truscott

TEAMS headed by Richard Schwartz and Michael Koper clashed in the final of the prestigious Reisinger Knockout Team Championship.

In semifinals, the Schwartz team, a foursome including Peter Weisbach, Sam Leavell and Michael Polowin, won by 50 imps against a group led by Bruce Rogoff, Koper, whose team consists of Michael

NORTH
 ♠ K 5 3
 ♥ A 8 5 4
 ♦ J 6 2
EAST
 ♠ J 6 7 5 2
 ♥ 10 8 3
 ♦ A 10 9 8 5 4
 ♣ A 10 8 7
SOUTH (D)
 ♠ A Q 10
 ♥ A Q 7
 ♦ A Q 9 2
 ♣ K Q

Both sides were vulnerable. The bidding:
 South West North East
 1♣ 1♥ 2♦ 2♥
 2♥ 2♠ 3NT 3NT
 4♥ 4♠ 5♥ 5♠
 6♥ 6♠ 7♥ 7♠
 West led the heart jack.

Radin, Kitty Munson, John Reingorff, Jared Lilienstein and Glenn Milgrim, defeated Edgar Kaplan and his team by 22 imps.

The diagramed deal contributed nearly all the winning margin for the Koper team in the semifinals. With the North-South cards, Lilienstein and Milgrim reached six no-trump, the best contract, by a rapid route. North's two-heart bid showed four controls, and he raised directly to six no-trump when his partner showed a balanced minimum for his strong two-club opening.

The play turned out to be easy because a marked finesse of the spade jack was available after the ace and king were played. Notice that if North had not held the club jack, the right contract would have been six diamonds since the ruff would be needed for the 12 trick. That slam was reached in the closed room, and failed when the declarer played for a normal diamond division. The Koper team gained 17 imps en route to victory.

THE AGENDA: Inside the Clinton White House

By Bob Woodward. Illustrated by Bob Woodward. 352 pages. \$24. Simon & Schuster.

Reviewed by Andrew Sullivan

BILL CLINTON's train wreck of an economic plan is headed for a roll call in the Senate, and three White House missionaries are in hot pursuit of Senator Bob Kerrey, whose vote could pull the bill through. A rendezvous arranged, the persuaders arrive at the American Café in Union Station in Washington, only to find they are at the wrong American Café. They hunch off again, down Massachusetts Avenue, and finally meet up with the elusive senator at the right American Café.

In one of the piquant moments that make "The Agenda" by Bob Woodward's account of the Clinton administration, such a compulsive, Grisham-like read, "Kerrey asked what was next for the White House."

Paster [Howard Paster, Clinton's congressional liaison] mentioned something about how they were going to move on to health care. "No, no, no," Kerrey said loudly and dismissively, "I don't mean legislative presidency. I mean, what's this presidency about?"

It's page 289, and we still don't know. After listening to the senator from Nebraska's subsequent demolition of the Clinton presidency, the president's men simply parrot back that their boss agrees with everything Kerrey says. At this point in the book, this is a credible statement. At this point in the book, Clinton seems to agree with everything anybody says.

The book contains no major surprises and, like Woodward's previous books, is animated by no coherent analysis and no guiding idea. But that doesn't make it any the less worthwhile as an adroit, reliable gossip.

Some commentators have read the book as showing Clinton as indecisive; in fact, he

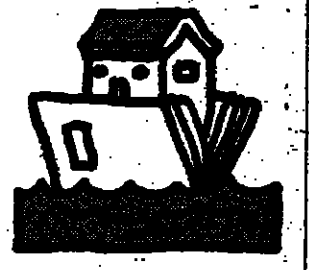
BOOKS

WHAT THEY'RE READING

Calvin MacKeron, librarian at the American military library in Berlin, is reading Raul Hilberg's "Perpetrators, Victims, Bystanders: The Jewish Catastrophe 1933-1945."

"This is a sober, if not ironic view of the Holocaust and is worth many Spiegelbergs. It is an excellent piece of scholarship that goes deeper than the original 'Schindler's Ark.'"

(Michael Kallenbach, IHT)



makes decisions throughout, sometimes belatedly, often with great difficulty, but always eventually. He makes complex calls on the economic plan, even down to line-item budget matters. He makes health care a priority, and takes a stand on the trade agreement. He is also not merely the passive receptacle of his advisers' agendas. It's clear from the book that Clinton is admirably adept at listening to a range of people and voices, weighing arguments,

measuring responses. This is not the same as weakness (in many ways, it's a strength).

No, the problem with Clinton is not a practical one—he's not alone in being an executive who prefers a mixture of advice and takes his time to come to a decision. The problem is an intellectual one.

In this book as in the daily newspaper, Clinton is not simply, as Woodward has Alan Greenspan, the chairman of the Federal Reserve, delicately put-

ting it, "an intellectual pragmatist." He seems to live intellectually in a world where there are simply no contradictions; where nothing comes at the expense of anything else; where traditional big-spending liberalism is compatible with deficit-cutting neoliberalism; where welfare reform never actually hurts people.

This is not a question of cynicism. Bill Clinton is no George Bush: He has not ceded everything to political expediency. And it's not a question of pragmatically splitting differences, which every practical politician has to do. With Bob Woodward's Bill Clinton, it's a question of not believing there are differences to split.

This is not an account of the Clinton administration as a whole. Woodward shares with Clinton an obsession with economic policy that blinds them to the political context in which economic policy must always be made. There is nothing, for example, about Bosnia in Woodward's account, and virtually

nothing about a defining headache of the first few months of the administration, the battle over homosexuals in the military.

But Woodward's failings are made up for by the pleasingly breathless style in which the story is told. And with this administration, Woodward's deeper flaws—that he has no ideas to speak of, shows little sense of history and is unable to relate a narrative to a larger argument—are strangely fitting. With Woodward and Clinton, the journalism of mere process has met the politics of mere process. Woodward has finally found the president he deserves.

Excerpted from a review that Andrew Sullivan, the editor of *The New Republic*, wrote for *The New York Times*.

To our readers in Luxembourg: It's never been easier to subscribe and save. Just call 1-800-270-3333.

CALLING ONE FOREIGN COUNTRY FROM ANOTHER IS NO SECRET WITH THESE SIMPLE ACCESS CODES.

COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS	COUNTRIES	ACCESS NUMBERS
AFRICA		ASIA		EUROPE		MIDDLE EAST	
Algeria	000-12	American Samoa	623-100	Belarus	1-800-867-8000	Bahrain	001-800-771-1111
South Africa	0-800-999-0001	Australia	000-531-1-10	Bermuda	1-800-422-0071	Bangladesh	001-800-771-1111
AMERICAS		Austria	000-381-887	Belize	1-800-867-8000	Bolivia	001-800-771-1111
Argentina	001-800-771-1111	Canada	1-800-13	Bolivia	001-800-771-1111	Bosnia & Herzegovina	001-800-771-1111
Belize	001-800-771-1111	Chile	000-1877	Bosnia & Herzegovina	001-800-771-1111	Brazil	001-800-771-1111
Bolivia	001-800-771-1111	China	011	Brazil	001-800-771-1111	Bulgaria	001-800-771-1111
Brazil	001-800-771-1111	Hong Kong	011	Bulgaria	001-800-771-1111	Cameroon	001-800-771-1111
Bulgaria	001-800-771-1111	India	001-129	Canada	001-800-771-1111	Canada	001-800-771-1111
Cameroon	001-800-771-1111	Indonesia	001-800-13	Chad	001-800-771-1111	Chad	001-800-771-1111
Canada	001-800-771-1111	Japan	001-800-13	Chile	001-800-771-1111	Chile	001-800-771-1111
Chile	001-800-771-1111	Kenya	001-800-13	Croatia	001-800-771-1111	Colombia	001-800-771-1111
Colombia	001-800-771-1111	Korea	001-800-13	Czech Republic	001-800-771-1111	Croatia	001-800-771-1111
Colombia	001-800-771-1111	Laos	001-800-13	Dominican Republic	001-800-771-1111	Cyprus	001-800-771-1111
Costa Rica	001-800-771-1111	Malaysia	001-800-13	Egypt	001-800-771-1111	Cyprus	001-800-771-1111
Croatia	001-800-771-1111	Maldives	001-800-13	Finland	001-800-771-1111	Dominican Republic	001-800-771-1111
Cuba	001-800-771-1111	Mexico	001-800-13	France	001-800-771-1111	Ecuador	001-800-771-1111
Cyprus	001-800-771-1111	Nicaragua	001-800-13	Germany	001-800-771-1111	El Salvador	001-800-771-1111
Dominican Republic	001-800-771-1111	Paraguay	001-800-13	Greece	001-800-771-1111	Equatorial Guinea	001-800-771-1111
Ecuador	001-800-771-1111	Peru	001-800-13	Hungary	001-800-771-1111	Ethiopia	001-800-771-1111
El Salvador	001-800-771-1111	Philippines	001-800-13	Iceland	001-800-771-1111	Ghana	001-800-771-1111
Equatorial Guinea	001-800-771-1111	Philippines (PRC)	001-800-13	India	001-800-771-1111	Guatemala	001-800-771-1111
Ethiopia	001-800-771-1111	Philippines (PLD)	001-800-13	Indonesia	001-800-771-1111	Honduras	001-800-771-1111
Ghana	001-800-771-1111	Saudi Arabia	001-800-13	Israel	001-800-771-1111	Iceland	001-800-771-1111
Guatemala	001-800-771-1111	Taiwan	001-800-13	Italy	001-800-771-1111	India	001-800-771-1111
Honduras	001-800-771-1111	Thailand	001-800-13	Jamaica	001-800-771-1111	Indonesia	001-800-771-1111
Iceland	001-800-771-1111	Turkey	001-800-13	Kenya	001-800-771-1111	Israel	001-800-771-1111
India	001-800-771-1111	Ukraine	001-800-13	Korea	001-800-771-1111	Italy	001-800-771-1111
Indonesia	001-800-771-1111	USA	001-800-13	Laos	001-800-771-1111	Jamaica	001-800-771-1111
Iran	001-800-771-1111	Vietnam	001-800-13	Lebanon	001-800-771-1111	Kenya	001-800-771-1111
Israel	001-800-771-1111			Liechtenstein	001-800-771-1111	Korea	001-800-771-1111
Italy	001-800-771-1111			Lithuania	001-800-771-1111	Laos	001-800-771-1111
Jamaica	001-800-771-1111			Luxembourg	001-800-771-1111	Lebanon	001-800-771-1111
Japan	001-800-771-1111			Macao	001-800-771-1111	Libya	001-800-771-1111
Jordan	001-800-771-1111			Malawi	001-800-771-1111	Mali	001-800-771-1111
Kazakhstan	001-800-771-1111			Malaysia	001-800-771-1111	Moldova	001-800-771-1111
Kenya	001-800-771-1111			Maldives	001-800-771-1111	Monaco	001-800-771-1111
Korea	001-800-771-1111			Mali	001-800-771-1111	Mongolia	001-800-771-1111
Kuwait	001-800-771-1111			Moldova	001-800-771-1111	Montenegro	001-800-771-1111
Laos	001-800-771-1111			Mongolia	001-800-771-1111	Norway	001-800-771-1111
Lebanon	001-800-771-1111			Montenegro	001-800-771-1111	Poland	001-800-771-1111
Libya	001-800-771-1111			Norway	001-800-771-1111	Portugal	001-800-771-1111
Liechtenstein	001-800-771-1111			Poland	001-800-771-1111	Romania	001-800-771-1111
Lithuania	001-800-771-1111			Romania	001-800-771-1111	Russia	001-800-771-1111
Luxembourg	001-800-771-1111			Russia	001-800-771-1111	Saudi Arabia	001-800-771-1111
Macao	001-800-771-1111			Saudi Arabia	001-800-771-1111	Senegal	001-800-771-1111
Malawi	001-800-771-1111			Senegal	001-800-771-1111	Serbia	001-800-771-1111
Malaysia	001-800-771-1111			Serbia	001-800-771-1111	Slovakia	001-800-771-1111
Maldives	001-800-771-1111			Slovakia	001-800-771-1111	Slovenia	001-800-771-1111
Mali	001-800-771-1111			Slovenia	001-800-771-1111	Spain	001-800-771-1111
Moldova	001-800-771-1111			Spain	001-800-771-1111	Sweden	001-800-771-1111
Monaco	001-800-771-1111			Sweden	001-800-771-1111	Switzerland	001-800-771-1111
Mongolia	001-800-771-1111			Switzerland	001-800-771-1111	Taiwan	001-800-771-1111
Montenegro	001-800-771-1111			Taiwan	001-800-771-1111	Tanzania	001-800-771-1111
Norway	001-800-771-1111			Tanzania	001-800-771-1111	Turkey	001-800-771-1111
Poland	001-800-771-1111			Turkey	001-800-771-1111	Ukraine	001-800-771-1111
Portugal	001-800-771-1111			Ukraine	001-800-771-1111	USA	001-800-771-1111
Romania	001-800-771-1111			USA	001-800-771-1111	Vietnam	001-800-771-1111
Russia	001-800-771-1111			Vietnam	001-800-771-1111	Yemen	001-800-771-1111
Saudi Arabia	001-800-771-1111			Yemen	001-800-771-1111		
Senegal	001-800-771-1111						
Serbia	001-800-771-1111						
Slovakia	001-800-771-1111						
Slovenia	001-800-771-1111						
Spain	001-800-771-1111						
Sweden	001-800-771-1111						
Switzerland	001-800-771-1111						
Taiwan	001-800-771-1111						
Tanzania	001-800-771-1111						
Turkey	001-800-771-1111						
Ukraine	001-800-771-1111						
USA	001-800-771-1111						
Vietnam	001-800-771-1111						
Yemen	001-800-771-1111						

BUSINESS

International Herald Tribune, Thursday, July 7, 1994

Page 9



THE TRIB INDEX: 111.46

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Approx. weighting: 32% Asia/Pacific, 32% Europe, 32% North America, 3% Latin America, 1% Other.

Fed Watch Buffets Dollar

No Rate Moves Are Announced

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rebounded from a 14-month low against the Deutsche mark Wednesday amid speculation that the U.S. Federal Reserve Board may have voted to raise interest rates.

The Fed's Open Market Committee ended its two-day meeting Wednesday without announcing a rate increase. But the Fed does not publicly release its decisions immediately, and traders said the Fed had not necessarily ruled out using higher rates to defend the dollar.

"People still think there might be an interest-rate hike in the cards," said David Durr, a trader at Bear Stearns & Co. "Just because the Fed didn't act today doesn't mean they can't announce a rate increase later this week."

Higher rates could buoy the dollar by making U.S. deposits more attractive.

The dollar closed at 1.5779 DM on Wednesday, up from a low of 1.5658 DM during the session but down from a close at 1.5803 DM on Tuesday.

The dollar closed at 98.90 yen after trading as low as 98.84 yen. It had closed at 98.925 yen on Tuesday.

The dollar plunged early in the day after Germany's economics minister, Günter Rexrodt, said efforts to support the sagging currency were sure to fail. "Germany's position, that intervention against a market can't succeed, has been proven," Mr. Rexrodt was quoted in the daily Süddeutsche Zeitung as saying.

His comments fueled concern that leaders from the Group of Seven industrialized countries would not take steps to shore up the dollar when they

See DOLLAR, Page 10

Alumina Units to Merge Western Mining and Alcoa Strike Deal

Bloomberg Business News

MELBOURNE — Western Mining Corp. Holdings Ltd. and Alcoa of America said Wednesday they would combine their alumina and alumina-based chemicals operations into one global company with combined assets of about \$5 billion.

The new company will become the world's largest alumina business, the partners said. Alumina is a white powdery oxide of aluminum that is refined from bauxite, or aluminum ore, and smelted into aluminum metal.

The joint enterprise will have about a quarter of the world's annual production of 40 million metric tons. The company's primary competitors will be Alcan Aluminum Ltd., which holds 11 percent of the market, and Reynolds Metals Co., which holds 7 percent.

"We think it is the right thing for us. It is a win-win situation," said Hugh Morgan, managing director of Western Mining.

Under the deal, Alcoa will receive \$120 million in cash for working capital and will increase its interest in Alcoa of Australia, one of the world's lowest-cost producers. Western Mining will receive 40 percent of the Alcoa assets included in the new company and will increase its output of alumina to 3.9 million metric tons a year from 3 million tons.

Western Mining will transfer a 9 percent interest in Alcoa of Australia and pay Alcoa \$360 million for a 40 percent interest in Alcoa's overseas alumina producing businesses. The remaining 60 percent interest will be held by Alcoa.

Alcoa of Australia is currently 51 percent owned by Alcoa and 48.25 percent owned by Western Mining.

To finance the acquisition, Western Mining announced a 1-for-8 rights issue at 5.80 Aus-

tralian dollars a share (\$4.25), to raise 720 million dollars. That means existing shareholders will have the right to buy one new share for each eight they now hold.

Analysts said the merger should have a positive long-term impact on both parent companies.

"WMC's overall equity in producing alumina is going to grow by about 30 percent."

"There are very few deals you could do which would offer you the opportunity to invest in assets of this quality."

Russell Skirrow, a mining analyst at JB Were & Co.

said Russell Skirrow, a mining analyst at JB Were & Co., an Australian brokerage concern. "There are very few deals you could do which would offer you the opportunity to invest in assets of this quality."

Mr. Skirrow said the move appeared to fit both companies' objectives, with Alcoa concentrating on metal production and fabrication and Western Mining involving itself more with the upstream activities of bauxite mining and alumina refining.

Hydrated alumina is used with other chemicals for water softening purposes and is often used to replace phosphates in detergents. Alumina also is used in high-temperature furnace linings and cements and as a filler in plastic and paint.

Alumina is currently 51 percent owned by Alcoa and 48.25 percent owned by Western Mining.

To finance the acquisition, Western Mining announced a 1-for-8 rights issue at 5.80 Aus-

tralian dollars a share (\$4.25), to raise 720 million dollars. That means existing shareholders will have the right to buy one new share for each eight they now hold.

Analysts said the merger should have a positive long-term impact on both parent companies.

"WMC's overall equity in producing alumina is going to grow by about 30 percent."

"There are very few deals you could do which would offer you the opportunity to invest in assets of this quality."

Russell Skirrow, a mining analyst at JB Were & Co.

said Russell Skirrow, a mining analyst at JB Were & Co., an Australian brokerage concern. "There are very few deals you could do which would offer you the opportunity to invest in assets of this quality."

Mr. Skirrow said the move appeared to fit both companies' objectives, with Alcoa concentrating on metal production and fabrication and Western Mining involving itself more with the upstream activities of bauxite mining and alumina refining.

Hydrated alumina is used with other chemicals for water softening purposes and is often used to replace phosphates in detergents. Alumina also is used in high-temperature furnace linings and cements and as a filler in plastic and paint.

Alumina is currently 51 percent owned by Alcoa and 48.25 percent owned by Western Mining.

To finance the acquisition, Western Mining announced a 1-for-8 rights issue at 5.80 Aus-

tralian dollars a share (\$4.25), to raise 720 million dollars. That means existing shareholders will have the right to buy one new share for each eight they now hold.

Analysts said the merger should have a positive long-term impact on both parent companies.

"WMC's overall equity in producing alumina is going to grow by about 30 percent."

"There are very few deals you could do which would offer you the opportunity to invest in assets of this quality."

Russell Skirrow, a mining analyst at JB Were & Co.

said Russell Skirrow, a mining analyst at JB Were & Co., an Australian brokerage concern. "There are very few deals you could do which would offer you the opportunity to invest in assets of this quality."

Mr. Skirrow said the move appeared to fit both companies' objectives, with Alcoa concentrating on metal production and fabrication and Western Mining involving itself more with the upstream activities of bauxite mining and alumina refining.

Hydrated alumina is used with other chemicals for water softening purposes and is often used to replace phosphates in detergents. Alumina also is used in high-temperature furnace linings and cements and as a filler in plastic and paint.

Alumina is currently 51 percent owned by Alcoa and 48.25 percent owned by Western Mining.

To finance the acquisition, Western Mining announced a 1-for-8 rights issue at 5.80 Aus-

tralian dollars a share (\$4.25), to raise 720 million dollars. That means existing shareholders will have the right to buy one new share for each eight they now hold.

Analysts said the merger should have a positive long-term impact on both parent companies.

"WMC's overall equity in producing alumina is going to grow by about 30 percent."

"There are very few deals you could do which would offer you the opportunity to invest in assets of this quality."

Russell Skirrow, a mining analyst at JB Were & Co.

said Russell Skirrow, a mining analyst at JB Were & Co., an Australian brokerage concern. "There are very few deals you could do which would offer you the opportunity to invest in assets of this quality."

Mr. Skirrow said the move appeared to fit both companies' objectives, with Alcoa concentrating on metal production and fabrication and Western Mining involving itself more with the upstream activities of bauxite mining and alumina refining.

Hydrated alumina is used with other chemicals for water softening purposes and is often used to replace phosphates in detergents. Alumina also is used in high-temperature furnace linings and cements and as a filler in plastic and paint.

Alumina is currently 51 percent owned by Alcoa and 48.25 percent owned by Western Mining.

To finance the acquisition, Western Mining announced a 1-for-8 rights issue at 5.80 Aus-

tralian dollars a share (\$4.25), to raise 720 million dollars. That means existing shareholders will have the right to buy one new share for each eight they now hold.

Analysts said the merger should have a positive long-term impact on both parent companies.

"WMC's overall equity in producing alumina is going to grow by about 30 percent."

"There are very few deals you could do which would offer you the opportunity to invest in assets of this quality."

Russell Skirrow, a mining analyst at JB Were & Co.

said Russell Skirrow, a mining analyst at JB Were & Co., an Australian brokerage concern. "There are very few deals you could do which would offer you the opportunity to invest in assets of this quality."

Mr. Skirrow said the move appeared to fit both companies' objectives, with Alcoa concentrating on metal production and fabrication and Western Mining involving itself more with the upstream activities of bauxite mining and alumina refining.

Hydrated alumina is used with other chemicals for water softening purposes and is often used to replace phosphates in detergents. Alumina also is used in high-temperature furnace linings and cements and as a filler in plastic and paint.

Alumina is currently 51 percent owned by Alcoa and 48.25 percent owned by Western Mining.

To finance the acquisition, Western Mining announced a 1-for-8 rights issue at 5.80 Aus-

tralian dollars a share (\$4.25), to raise 720 million dollars. That means existing shareholders will have the right to buy one new share for each eight they now hold.

Analysts said the merger should have a positive long-term impact on both parent companies.

"WMC's overall equity in producing alumina is going to grow by about 30 percent."

"There are very few deals you could do which would offer you the opportunity to invest in assets of this quality."

Russell Skirrow, a mining analyst at JB Were & Co.

said Russell Skirrow, a mining analyst at JB Were & Co., an Australian brokerage concern. "There are very few deals you could do which would offer you the opportunity to invest in assets of this quality."

Mr. Skirrow said the move appeared to fit both companies' objectives, with Alcoa concentrating on metal production and fabrication and Western Mining involving itself more with the upstream activities of bauxite mining and alumina refining.

Hydrated alumina is used with other chemicals for water softening purposes and is often used to replace phosphates in detergents. Alumina also is used in high-temperature furnace linings and cements and as a filler in plastic and paint.

Alumina is currently 51 percent owned by Alcoa and 48.25 percent owned by Western Mining.

Lufthansa Posts Its First Profit In Five Years

Compiled by Our Staff From Dispatches

BERLIN — Lufthansa AG on Wednesday reported its first profit in five years, putting the German government, its majority owner, in a firm position to sell its stake in the airline.

The airline, which has been plagued in recent years by rising wages, shrinking markets and strict government controls, said it had a pretax profit of 100 million Deutsche marks (\$63 million) for the first half as it reaped the benefits of extensive cost cuts and surging European demand for air travel. In the first half of 1993, it had a loss of 221 million DM.

"Lufthansa is the No. 1 turnaround story in the airline industry," said Jürgen Weber, its chief executive, at the shareholder meeting.

Mr. Weber said the airline was likely to post a profit for the year and might even pay a dividend. The last payout on ordinary shares was made in 1989.

"We're talking about a totally new airline," said Hans Hartmann, an airline analyst with Dresdner International Research Institute GmbH in Frankfurt.

Last year Lufthansa trimmed its work force by 8.1 percent, or 4,000 employees, and won concessions from the remaining employees limiting wage and benefit increases. A further 1,000 jobs were cut in the first quarter of this year.

Analysts said that the airline's number of lucrative business customers has begun to rise as the German economy has picked up and that alliances with global carriers such as United Airlines and Varig Brazilian Airlines had positioned Lufthansa for further growth.

Analysts also estimated that a sale of new shares in association with Lufthansa's privatization may provide it with 2 billion DM in capital that could set the stage for expansion.

"They are really ready to become a global player," said Andreas Wahl, an airline analyst

with Hoare Govett Ltd. in London. "That means they'll have the chance to establish profit centers."

Lufthansa had been widely viewed as an efficient leader in global air freight with a strong domestic presence, but its control by the company by the German government unnerved some investors.

That is expected to change soon, however, as the government intends to cut its holding of 51.4 percent to about 35 percent. The government has not yet said when it intends to sell its shares.

The airline said the new shares were likely to be sold to current holders on the basis of one new share for every four shares. (Bloomberg, Reuters)

EU Allows State Aid For TAP

Bloomberg Business News

BRUSSELS — The European Commission said Wednesday it would permit the Portuguese government to provide its flag carrier, TAP Air Portugal SA, with a rescue package valued at \$1 billion.

Clearance was given on the condition that the aid package be the last to the Portuguese airline.

The decision was the first of three rulings expected by European Union's executive body on the subject of government aid to ailing European carriers.

Air France is awaiting permission to receive a package of 20 billion French francs (\$4 billion) of aid from the French government.

The rescue plan for TAP, agreed by the government in January, includes a capital injection over several years plus loan guarantees and tax breaks.

The capital will be paid in four installments.

By order of the Board of Directors

SANYO KLEINWORT SPAIN FUND MANAGEMENT S.A.

Société Anonyme

Luxembourg, 11, rue Aldringen

R.C. Luxembourg n° B 27852

The Board of Directors of Sanyo Kleinwort Spain Fund Management S.A. resolved on June 15, 1994 the payment of a dividend of USD 0.10 per share of Sanyo Kleinwort Spain Fund (the Fund), payable on or after July 22, 1994 to shareholders on record on July 7, 1994 against surrender of coupon N° 6.

The shares will be quoted ex-dividend as from July 7, 1994.

By order of the Board of Directors

EUROPEAN MULTI INDEX FUND

SICAV

Luxembourg, 11, rue Aldringen

R.C. Luxembourg n° B 33790

Notice to the Shareholders

The shareholders are hereby informed that the Board of Directors decided, with effect as at 1 August 1994, to introduce a redemption commission with a maximum of 1% of the respective net asset value in favour of the applicant's bank or stockbroker.

With effect as at 1 July 1994 the subscription, redemption and conversion commissions in favour of the SICAV are no longer applicable.

During the month of July 1994 the shareholders may redeem their shares free of any redemption commission.

The Board of Directors

It's easy to subscribe in Holland just call toll-free 06 222 5158

EU To Investigate Aid To German Steel Firms

Compiled by Our Staff From Dispatches

BRUSSELS — European Union authorities Wednesday stepped up their offensive against subsidies to steel producers, starting inquiries into state aid to Eastern Germany's EKO Stahl GmbH and a private company, Neue Hamburger Stahlwerke GmbH.

The European Commission said loans and loan guarantees provided to EKO Stahl by the

MARKET DIARY

Blue Chips Rally, Others Meander

NEW YORK — Buyers attracted to economically sensitive stocks lifted blue-chip issues Wednesday, but the broader market settled for a mixed performance.

A tentative mood prevailed in the financial markets for much of the session, with investors

U.S. Stocks

tors refraining from making bold moves in case the Federal Reserve Committee signaled a change in U.S. interest rates. But the Federal Reserve Board's policy-making body finished its meeting without announcing any change in U.S. interest rates.

The Dow Jones industrial average closed up 22.02 points at 3,674.50, but losing issues narrowly edged gains on the New York Stock Exchange. While volume increased from Tuesday, it remained light at 235.65 million shares.

The price of the benchmark 30-year U.S. Treasury bond fell 2/32 point, to 84 1/32, with the yield steady with Tuesday at 7.59 percent.

Many stock and bond investors began to look toward Friday

as the next opportunity for the Fed to raise rates. That's when the Labor Department will release employment data for June.

Strength in cyclical issues underpinned the stock market, with Caterpillar rising 3/4 to 104 1/4 and International Paper adding 1/4 to 68 1/4.

Alcoa rose 1 to 76 1/4 after agreeing to merge its alumina unit with that of Western Mining.

Technology issues were weak, led by Intel, which fell 1/4 to 57 after lowering prices on its low-end Pentium microprocessors by 38 percent for the third quarter.

Oil stocks gained for a second day after restructuring plans disclosed by Texaco on Tuesday and by Mobil last week fueled optimism about industry profits.

Texaco, which was raised to "buy" from "accumulate" by Dean Witter Reynolds, added 1 1/4 to 62 1/4 in active trading.

In the transportation sector, Southwest Airlines rose 3/4 to 27 1/4 and UAL fell 1/4 to 127 on news Southwest would replace the parent company of United Airlines in the S&P 500 index next week.

(Bloomberg, Reuters, AP)

DOLLAR: Fed Roils the Market

Continued from Page 9

meet in Naples this weekend. The dollar had rebounded from lows against the mark and yen after a spokesman for Prime Minister Edouard Balladur said France would call upon the United States to "take all necessary measures" to support the dollar at the G-7 meeting.

Those comments boosted the dollar because "a lot of people are still looking for something substantial out of the Naples meeting," said Jim Raphael, a trader at NatWest USA Bancorp. "If there's no strongly worded communiqué, we'll see a much lower dollar next Monday."

Mr. Raphael did not expect the Fed or the G-7 to come to the dollar's rescue unless U.S. stock and bond markets tumble and those markets were relatively stable on Wednesday.

It remained unclear whether the Fed had decided that no further rate increases were needed to prevent inflation from accelerating or whether it was simply waiting to digest the next round of economic reports

before deciding whether to act again.

The next major economic report will come Friday when the Labor Department reports on employment for June. A large rise in employment would fuel concern the economy may be growing too fast, increasing the likelihood of growing inflationary pressures.

At the previous meeting of the Fed policymaking committee, which was held on May 17, the Fed announced early in the day that it was raising the discount rate and the federal funds rate. After Wednesday's meeting, the Fed simply issued a statement saying that the meeting had ended and "there will be no further announcement."

The U.S. Treasury tried to stop the dollar's slide twice in the last two months, calling on the Fed and more than a dozen other central banks to buy dollars.

The dollar closed at 5,420 French francs on Wednesday, up slightly from 5,417.5 francs on Tuesday, and at 1,374 Swiss francs, little changed from 1,376 francs Tuesday. The pound rose to \$1.5460 from \$1.5437.

(Bloomberg, AP, Reuters)

Via Associated Press July 6

The Dow

Daily closing of the Dow Jones Industrial Average

1994 1993 1992 1991 1990 1989 1988 1987 1986 1985 1984 1983 1982 1981 1980 1979 1978 1977 1976 1975 1974 1973 1972 1971 1970 1969 1968 1967 1966 1965 1964 1963 1962 1961 1960 1959 1958 1957 1956 1955 1954 1953 1952 1951 1950 1949 1948 1947 1946 1945 1944 1943 1942 1941 1940 1939 1938 1937 1936 1935 1934 1933 1932 1931 1930 1929 1928 1927 1926 1925 1924 1923 1922 1921 1920 1919 1918 1917 1916 1915 1914 1913 1912 1911 1910 1909 1908 1907 1906 1905 1904 1903 1902 1901 1900 1899 1898 1897 1896 1895 1894 1893 1892 1891 1890 1889 1888 1887 1886 1885 1884 1883 1882 1881 1880 1879 1878 1877 1876 1875 1874 1873 1872 1871 1870 1869 1868 1867 1866 1865 1864 1863 1862 1861 1860 1859 1858 1857 1856 1855 1854 1853 1852 1851 1850 1849 1848 1847 1846 1845 1844 1843 1842 1841 1840 1839 1838 1837 1836 1835 1834 1833 1832 1831 1830 1829 1828 1827 1826 1825 1824 1823 1822 1821 1820 1819 1818 1817 1816 1815 1814 1813 1812 1811 1810 1809 1808 1807 1806 1805 1804 1803 1802 1801 1800 1799 1798 1797 1796 1795 1794 1793 1792 1791 1790 1789 1788 1787 1786 1785 1784 1783 1782 1781 1780 1779 1778 1777 1776 1775 1774 1773 1772 1771 1770 1769 1768 1767 1766 1765 1764 1763 1762 1761 1760 1759 1758 1757 1756 1755 1754 1753 1752 1751 1750 1749 1748 1747 1746 1745 1744 1743 1742 1741 1740 1739 1738 1737 1736 1735 1734 1733 1732 1731 1730 1729 1728 1727 1726 1725 1724 1723 1722 1721 1720 1719 1718 1717 1716 1715 1714 1713 1712 1711 1710 1709 1708 1707 1706 1705 1704 1703 1702 1701 1700 1699 1698 1697 1696 1695 1694 1693 1692 1691 1690 1689 1688 1687 1686 1685 1684 1683 1682 1681 1680 1679 1678 1677 1676 1675 1674 1673 1672 1671 1670 1669 1668 1667 1666 1665 1664 1663 1662 1661 1660 1659 1658 1657 1656 1655 1654 1653 1652 1651 1650 1649 1648 1647 1646 1645 1644 1643 1642 1641 1640 1639 1638 1637 1636 1635 1634 1633 1632 1631 1630 1629 1628 1627 1626 1625 1624 1623 1622 1621 1620 1619 1618 1617 1616 1615 1614 1613 1612 1611 1610 1609 1608 1607 1606 1605 1604 1603 1602 1601 1600 1599 1598 1597 1596 1595 1594 1593 1592 1591 1590 1589 1588 1587 1586 1585 1584 1583 1582 1581 1580 1579 1578 1577 1576 1575 1574 1573 1572 1571 1570 1569 1568 1567 1566 1565 1564 1563 1562 1561 1560 1559 1558 1557 1556 1555 1554 1553 1552 1551 1550 1549 1548 1547 1546 1545 1544 1543 1542 1541 1540 1539 1538 1537 1536 1535 1534 1533 1532 1531 1530 1529 1528 1527 1526 1525 1524 1523 1522 1521 1520 1519 1518 1517 1516 1515 1514 1513 1512 1511 1510 1509 1508 1507 1506 1505 1504 1503 1502 1501 1500 1499 1498 1497 1496 1495 1494 1493 1492 1491 1490 1489 1488 1487 1486 1485 1484 1483 1482 1481 1480 1479 1478 1477 1476 1475 1474 1473 1472 1471 1470 1469 1468 1467 1466 1465 1464 1463 1462 1461 1460 1459 1458 1457 1456 1455 1454 1453 1452 1451 1450 1449 1448 1447 1446 1445 1444 1443 1442 1441 1440 1439 1438 1437 1436 1435 1434 1433 1432 1431 1430 1429 1428 1427 1426 1425 1424 1423 1422 1421 1420 1419 1418 1417 1416 1415 1414 1413 1412 1411 1410 1409 1408 1407 1406 1405 1404 1403 1402 1401 1400 1399 1398 1397 1396 1395 1394 1393 1392 1391 1390 1389 1388 1387 1386 1385 1384 1383 1382 1381 1380 1379 1378 1377 1376 1375 1374 1373 1372 1371 1370 1369 1368 1367 1366 1365 1364 1363 1362 1361 1360 1359 1358 1357 1356 1355 1354 1353 1352 1351 1350 1349 1348 1347 1346 1345 1344 1343 1342 1341 1340 1339 1338 1337 1336 1335 1334 1333 1332 1331 1330 1329 1328 1327 1326 1325 1324 1323 1322 1321 1320 1319 1318 1317 1316 1315 1314 1313 1312 1311 1310 1309 1308 1307 1306 1305 1304 1303 1302 1301 1300 1299 1298 1297 1296 1295 1294 1293 1292 1291 1290 1289 1288 1287 1286 1285 1284 1283 1282 1281 1280 1279 1278 1277 1276 1275 1274 1273 1272 1271 1270 1269 1268 1267 1266 1265 1264 1263 1262 1261 1260 1259 1258 1257 1256 1255 1254 1253 1252 1251 1250 1249 1248 1247 1246 1245 1244 1243 1242 1241 1240 1239 1238 1237 1236 1235 1234 1233 1232 1231 1230 1229 1228 1227 1226 1225 1224 1223 1222 1221 1220 1219 1218 1217 1216 1215 1214 1213 1212 1211 1210 1209 1208 1207 1206 1205 1204 1203 1202 1201 1200 1199 1198 1197 1196 1195 1194 1193 1192 1191 1190 1189 1188 1187 1186 1185 1184 1183 1182 1181 1180 1179 1178 1177 1176 1175 1174 1173 1172 1171 1170 1169 1168 1167 1166 1165 1164 1163 1162 1161 1160 1159 1158 1157 1156 1155 1154 1153 1152 1151 1150 1149 1148 1147 1146 1145 1144 1143 1142 1141 1140 1139 1138 1137 1136 1135 1134 1133 1132 1131 1130 1129 1128 1127 1126 1125 1124 1123 1122 1121 1120 1119 1118 1117 1116 1115 1114 1113 1112 1111 1110 1109 1108 1107 1106 1105 1104 1103 1102 1101 1100 1099 1098 1097 1096 1095 1094 1093 1092 1091 1090 1089 1088 1087 1086 1085 1084 1083 1082 1081 1080 1079 1078 1077 1076 1075 1074 1073 1072 1071 1070 1069 1068 1067 1066 1065 1064 1063 1062 1061 1060 1059 1058 1057 1056 1055 1054 1053 1052 1051 1050 1049 1048 1047 1046 1045 1044 1043 1042 1041 1040 1039 1038 1037 1036 1035 1034 1033 1032 1031 1030 1029 1028 1027 1026 1025 1024 1023 1022 1021 1020 1019 1018 1017 1016 1015 1014 1013 1012 1011 1010 1009 1008 1007 1006 1005 1004 1003 1002 1001 1000 999 998 997 996 995 994 993 992 991 990 989 988 987 986 985 984 983 982 981 980 979 978 977 976 975 974 973 972 971 970 969 968 967 966 965 964 963 962 961 960 959 958 957 956 955 954 953 952 951 950 949 948 947 946 945 944 943 942 941 940 939 938 937 936 935 934 933 932 931 930 929 928 927 926 925 924 923 922 921 920 919 918 917 916 915 914 913 912 911 910 909 908 907 906 905 904 903 902 901 900 899 898 897 896 895 894 893 892 891 890 889 888 887 886 885 884 883 882 881 880 879 878 877 876 875 874 873 872 871 870 869 868 867 866 865 864 863 862 861 860 859 858 857 856 855 854 853 852 851 850 849 848 847 846 845 844 843 842 841 840 839 838 837 836 835 834 833 832 831 830 829 828 827 826 825 824 823 822 821 820 819 818 817 816 815 814 813 812 811 810 809 808 807 806 805 804 803 802 801 800 799 798 797 796 795 794 793 792 791 790 789 788 787 786 785 784 783 782 781 780 779 778 777 776 775 774 773 772 771 770 769 768 767 766 765 764 763 762 761 760 759 758 757 756 755 754 753 752 751 750 749 748 747 746 745 744 743 742 741 740 739 738 737 736 735 734 733 732 731 730 729 728 727 726 725 724 723 722 721 720 719 718 717 716 715 714 713 712 711 710 709 708 707 706 705 704 703 702 701 700 699 698 697 696 695 694 693 692 691 690 689 688 687 686 685 684 683 682 681 680 679 678 677 676 675 674 673 672 671 670 669 668 667 666 665 664 663 662 661 660 659 658 657 656 655 654 653 652 651 650 649 648 647 646 645 644 643 642 641 640 639 638 637 636 635 634 633 632 631 630 629 628 627 626 625 624 623 622 621 620 619 618 617 616 615 614 613 612 611 610 609 608 607 606 605 604 603 602 601 600 599 598 597 596 595 594 593 592 591 590 589 588 587 586 585 584 583 582 581 580 579 578 577 576 575 574 573 572 571 570 569 568 567 566 565 564 563 562 561 560 559 558 557 556 555 554 553 552 551 550 549 548 547 546 545 544 543 542 541 540 539 538 537 536 535 534 533 532 531 530 529 528 527 526 525 524 523 522 521 520 519 518 517 516 515 514 513 512 511 510 509 508 507 506 505 504 503 502 501 500 499 498 497 496 495 494 493 492 491 490 489 488 487 486 485 484 483 482 481 480 479 478 477 476 475 474 473 472 471 470 469 468 467 466 465 464 463 462 461 460 459 458 457 456 455 454 453 452 451 450 449 448 447 446 445 444 443 442 441 440 439 438 437 436 435 434 433 432 431 430 429 428 427 426 425 424 423 422 421 420 419 418 417 416 415 414 413 412 411 410 409 408 407 406 405 404 403 402 401 400 399 398 397 396 395 394 393 392 391 390 389 388 387 386 385 384 383 382 381 380 379 378 377 376 375 374 373 372 371 370 369 368 367 366 365 364 363 362 361 360 359 358 357 356 355 354 353 352 351 350 349 348 347 346 345 344 343 342 341 340 339 338 337 336 335 334 333 332 331 330 329 328 327 326 325 324 323 322 321 320 319 318 317 316 315 314 313 312 311 310 309 308 307 306 305 304 303 302 301 300 299 298 297 296 295 294 293 292 291 290 289 288 287 286 285 284 283 282 281 280 279 278 277 276 275 274 273 272 271 270 269 268 267 266 265 264 263 262 261 260 259 258 257 256 255 254 253 252 251 250 249 248 247 246 245 244 243 242 241 240 239 238 237 236 235 234 233 232 231 230 229 228 227 226 225 224 223 222 221 220 219 218 217 216 215 214 213 212 211 210 209 208 207 206 205 204 203 202 201 200 199 198 197 196 195 194 193 192 191 190 189 188 187 186 185 184 183 182 181 180 179 178 177 176 175 174 173 172 171 170 169 168 167 166 165 164 163 162 161 160 159 158 157 156 155 154 153 152 151 150 149 148 147 146 145 144 143 142 141 140 139 138 137 136 135 134 133 132 131 130 129 128 127 126 125 124 123 122 121 120 119 118 117 116 115 114 113 112 111 110 109 108 107 106 105 104 103 102 101 100 99 98 97 96 95 94 93 92 91 90 89 88 87 86 85 84 83 82 81 80 79 78 77 76 75 74 73 72 71 70 69 68 67 66 65 64 63 62 61 60 59 58 57 56 55 54 53 52 51 50 49 48 47 46 45 44 43 42 41 40 39 38 37 36 35 34 33 32 31 30 29 28 27 26 25 24 23 22 21 20 19 18 17 16 15 14 13 12 11 10 9 8 7 6 5 4 3 2 1 0

1994 1993 1992 1991 1990 1989 1988 1987 1986 1985 1984 1983 1982 1981 1980 1799 1798 1797 1796 1795 1794 1793 1792 1791 1790 1789 1788 1787 1786 1785 1784 1783 1782 1781 1780 1779 1778 1777 1776 1775 1774 1773 1772 1771 1770 1769 1768 1767 1766 1765 1764 1763 1762 1761 1760 1759 1758 1757 1756 1755 1754 1753 1752 1751 1750 1749 1748 1747 1746 1745 1744 1743 1742 1741 1740 1739 1738 1737 1736 1735 1734 1733 1732 1731 1730 1729 1728 1727 1726 1725 1724 1723 1722 1721 1720 1719 1718 1717 1716 1715 1714 1713 1712 1711 1710 1709 1708 1707 1706 1705 1704 1703 1702 1701 1700 1699 1698 1697 1696 1695 1694 1693 1692 1691 1690 1689 1688 1687 1686 1685 1684 1683 1682 1681 1680 1679 1678 1677 1676 1675 1674 1673 1672 1671 1670 1669 1668 1667 1666 1665 1664 1663 1662 1661 1660 1659 1658 1657 1656 1655 1654 1653 1652 1651 1650 1649 1648 1647 1646 1645 1644 1643 1642 1641 1640 1639 1638 1637 1636 1635 1634 1633 1632 1631 1630 1629 1628 1627 1626 1625 1624 1623 1622 1621 1620 1619 1618 1617 1616 1615 1614 1613 1612 1611 1610 1609 1608 1607 1606 1605 1604 1603 1602 1601 1600 1599 1598 1597 1596 1595 1594 1593 1592 1591 1590 1589 1588 1587 1586 1585 1584 1583 1582 1581 1580 1579 1578 1577 1576 1575 1574 1573 1572 1571 1570 1569 1568 1567 1566 1565 1564 1563 1562 1561 1560 1559 1558 1557 1556 1555 1554 1553 1

Gandois Resigns As Chairman Of Pechiney

Compiled by Our Staff From Dispatches

PARIS — Jean Gandois said Wednesday he was resigning as chairman of Pechiney SA and would seek the presidency of Conseil National du Patronat Français, a powerful employers' group.

Mr. Gandois has headed the state-owned metals and packaging company since 1986. In an open letter to employees, he said it would be better to leave the task of preparing Pechiney for privatization to a new leader because the sale was unlikely to be completed by next year, when he will reach the retirement age of 65.

"In the interests of the group, I thought it better to allow my successor, who will be named in the coming days, to prepare for this major event without any time constraints," he said.

Mr. Gandois said it was unlikely Pechiney would be privatized before 1996, adding that

he had come to this conclusion after failing to pre-place some 50 percent of Pechiney's capital with French institutional investors.

"When I realized on June 20 that I would not be able to assemble a group of shareholders, I told the government that I did not propose the privatization of Pechiney," Mr. Gandois said.

The company had a loss of 980 million French francs (\$180 million) in 1993. Of this, 300 million francs resulted from miscalculations in purchases of aluminum futures.

Mr. Gandois predicted that the company would recover from that loss and post a profit for this year.

Gerard Longuet, the industry minister of France, said a successor to Mr. Gandois would be named soon.

"We need to act quickly," Mr. Longuet said. "A company like Pechiney cannot remain in uncertainty, without a chairman."

The employers' group, known as the Patronat, has traditionally played a strong role in French policies, given the close links between government and business, although its influence has waned slightly in recent years.

(Reuters, APF)

Thomson Plans Joint Ventures

Compiled by Our Staff From Dispatches

PARIS — Thomson-CSF, a state-owned defense electronics company, said Wednesday it planned to merge its weaponry and tactical missile propulsion activities with those of Deutsche Aerospace AG.

It said the merger would result in two joint ventures, each 50 percent held by the French and German companies.

The weaponry concern would have estimated annual revenue of about 1.4 billion francs (\$257 million), of which 900 million francs would come from Thomson's business, the company said. The other venture, specializing in tactical-missile propulsion, would have estimated revenue of 500 million francs.

Thomson-CSF on Tuesday reported a 1993 loss of 2.3 billion francs, which analysts attributed to its 21.6 percent stake in Credit Lyonnais, the French bank that had a loss of 6.9 billion francs last year.

(AFP, Reuters, Bloomberg)

Commercially Successful Advertising Is Big Business in Russia

By Daniel Tilles
Special to the Herald Tribune

CANNES — Many Russians may worry about the dizzying invasion of their country by Snickers bars, Marlboros and Mercedes cars, but you wouldn't know it talking with Vladimir Evstafiev.

For the president of Moscow's Maxima advertising agency, as well as others in the Russian advertising industry, times are good. "Russia is like a black hole; it's sucking up everything into the market," Mr. Evstafiev said. "Companies can't produce quickly enough; capacity can't increase quickly enough."

The advertising business itself reflects this. Whereas the industry basically didn't exist six years ago, there are about 2,000 agencies registered in Moscow alone today, Mr. Evstafiev said at the recent Cannes advertising festival.

Despite the explosive growth, a small number have quickly risen to the top. Mr. Evstafiev estimated the largest seven local agencies controlled half the market revenue, with the rest being divided between such multinational networks as Young & Rubicam or BBDO and small home-grown shops.

Within the top seven, Premier SV, with about 1,000 employees, and Video International are the dominant players.

The five-agency second tier includes a group called Avrova, as well as Maxima, which employs 50 people and has more than \$7 million in revenues and includes such international clients as Cadbury Schweppes.

Though overall revenue is evenly split, Mr. Evstafiev said that this same seven-agency group controlled about 75 percent of the television-time buying market — a position that, if maintained, could assure them of their place at the top of the agency heap as television advertising demand continues to surge.

"Even the big international agencies buy their ad time through us," he said. "We act as brokers for the stations."

Even so, Mr. Evstafiev and the others said there were signs of foreign agency networks starting to negotiate directly with television networks rather than using these Russian shops as middlemen.

The rapid development of the Russian agency landscape is being accompanied by equally rapid changes in media costs. Currently, 60-second advertisements during prime time on one of the two major, state-owned Russian television networks cost as much as \$25,000.

Though cheap by Western standards, this is already five to six times as much as they cost last year. And prices are expected to continue rising as increasing numbers of domestic advertisers, many with ample advertising budgets, compete with foreign advertisers for air time.

"The largest 20 to 25 local clients probably have budgets of between \$20 million to \$30 million, perhaps more," Mr. Evstafiev said,

citing real-estate companies and banks as two major local ad categories. "This is absolutely enormous in Russia."

The surging demand for advertising is also forcing improvements in the commercials themselves. "Technically, our advertising is almost on a par with the West," said Vladimir Filippov, general director of Avrova. "As for creative, Russia has never had a shortage of ideas."

Still, many commercials would be considered overbearing by Western standards. One ad for vodka screened in this year's Cannes competition lived up to its description in the entry catalog: "A woman catches her husband drinking at a bar. She shoots down the bar's display with a Kalashnikov. Everything is destroyed except a bottle of Zver — the strongest vodka."

The group acknowledged that creativity was "conceptually very different" from Western advertising, though mostly out of necessity. "It's not so much about product quality and competitive comparisons as about find-

"Russia is like a black hole; it's sucking up everything into the market."

Vladimir Evstafiev, president of Moscow's Maxima advertising agency.

ing the goods advertised," Mr. Evstafiev said. "So of course, we need to impress them in the most aggressive way possible — theatrics. At the same time, we need to have an address at the end of the commercial so they can find the product."

As with many emerging and lucrative industries in Russia, there's another group finding the ad trade appealing: organized crime. Those interviewed were reluctant to discuss specifics, only to say that "crime is a problem."

The group also expressed ambivalence toward the presence of large international agency networks, despite their failure to make a major impact so far. Mr. Evstafiev said domestic agencies were quick to form associations with large agency groups when given the chance, including his own Maxima with Euro RSCG, and Avrova with Grey.

But while acknowledging the allure international relationships held for Russian shops, many found it frustrating that advertisers, at least initially, seemed drawn to the big networks despite significantly lower commission rates — often 5 percent to 8 percent less — asked by local agencies. "Clients start at the big names and realize later that we are cheaper and know the market better," Mr. Evstafiev said.

Despite this, they remain enthusiastic about the future of the business in Russia.

Recovery In Germany Is Real, Say Economists

Bloomberg Business News

FRANKFURT — Despite a number of seemingly conflicting statistics released Wednesday, many economists say they are convinced that the German economy is on the road to recovery.

The recent strength of the Deutsche mark against the dollar has weighed on German exporters, but domestic demand is catching up, figures show. A stronger mark makes German goods more expensive for foreign buyers.

While a report on new manufacturing orders from West German industry indicated a slight slowdown in economic expansion, a drop in seasonally adjusted unemployment in June seemed to convey the opposite impression.

"We are indeed on a path to recovery that has now embraced domestic industry as well," said Thomas Mayer, chief economist at Goldman Sachs & Co. in Frankfurt.

The Federal Labor Office said the West German unemployment rate fell to 8.0 percent in June from 8.1 percent in May. Seasonally adjusted, the number of unemployed fell 3,000 in June from May.

"The jobless figures have surprised me," said Eva Hermes, a bond analyst at Westdeutsche Landesbank Girozentrale in Düsseldorf. Economists had forecast an increase of 10,000.

The Economics Ministry said manufacturing orders to West German industry dropped 0.2 percent in May from April, led by a decline in export orders of 0.6 percent.

"I wouldn't see this as being all too negative," said Rainer Matthes, chief economist at B. Metzler & Co. in Frankfurt. "This simply reflects the strength of the Deutsche mark."

The M3 money supply, the Bundesbank's key inflation gauge, is also growing a little more slowly. The German central bank said M3 grew at a 13.4 percent rate in May, after a 13.4 percent rise in both March and April.

But the rate still far exceeds the Bundesbank's target of 4 percent to 6 percent growth this year. "Yes, it's moving in the right direction, but the danger isn't over yet," Mr. Mayer said.

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
200	200	200		
180	180	180		
160	160	160		
140	140	140		
120	120	120		
100	100	100		
80	80	80		
60	60	60		
40	40	40		
20	20	20		
0	0	0		
1993	1993	1993		
Exchange	Index	Wednesday Close	Thursday Close	% Change
Augsburg	AEX	285.36	289.70	+1.11
Brussels	Stock Index	7,360.89	7,396.83	+0.48
Frankfurt	DAX	778.79	777.74	-0.26
Frankfurt	FAZ	1,705.55	1,704.78	-0.05
Helsinki	HEX	2,316.80	2,320.80	+0.22
London	Financial Times 30	2,946.70	2,955.00	+0.28
London	FTSE 100	2,946.70	2,955.00	+0.28
Madrid	General Index	282.91	286.46	+0.88
Paris	CAC 40	1,322.00	1,116.00	-0.63
Stockholm	Aktiesvinstindex	1,388.99	1,378.73	-0.55
Stockholm	Stock Index	1,736.77	1,750.08	+0.76
Vienna	SES	453.91	454.18	+0.06
Zurich	SBS	926.13	928.69	+0.27

Very briefly:

- Russia's currency fell to a record low, as the dollar rose to more than 2,000 rubles. Traders said they were not surprised at the further decline in the beleaguered currency.
- VIAG AG, the German utility and industrial group, said rising sales and lower costs would mean better 1994 operating results for all its businesses. Profit fell 19 percent last year, to 302 million Deutsche marks (\$190 million).
- Airbus Industrie said it planned to create a separate finance company, Airbus Finance Co., that will help airline customers finance their purchases of jets.
- Britain's screening panel has recommended letting a milder version of the world's best-selling prescription drug, Glaxo PLC's ulcer medication Zantac, be sold over the counter.
- Ciba SpA's revenue in the first half rose 11 percent from a year earlier, to 240.4 billion lire (\$152.6 million), and the company said it might break even for the year as a whole.
- Royal Bank of Scotland Group PLC said one of its units had bought Old Stone Federal Savings Bank, a bank in Rhode Island that was placed in receivership in 1993.
- Britain's industrial production rose 3.9 percent in May from a year earlier, and manufacturing output climbed 1.9 percent.

(Bloomberg, Reuters, AP, AFP)

Mannesmann CEO Cleared

Compiled by Our Staff From Dispatches

DUSSELDORF — Mannesmann AG's supervisory board said Wednesday that an independent investigation had found no evidence of wrongdoing by its management board chairman, Werner Dieter.

Mr. Dieter was being investigated by public prosecutors on allegations of fraud concerning ties between Mannesmann, one of Germany's largest engineering and telecommunications concerns, and Hydac, his family business.

The investigation arose after a series of articles in the news magazine Der Spiegel said that Mr. Dieter had used his position as Mannesmann chairman to win orders for Hydac. Mr. Dieter has denied the charges.

"The new and past examinations of the auditing reports of Mannesmann AG have placed no burdens on Mr. Dieter," said Friedrich Wilhelm Christians, Mannesmann supervisory board chairman, in a statement.

(Reuters, Bloomberg, AFP)

NYSE

Wednesday's Closing
Tables include the national price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

13 Month High Low Stock Div Yld PE Ratio High Low Last Change

13 Month High	Low	Stock	Div	Yld	PE Ratio	High	Low	Last	Change
13.00	12.00	IBM	3.00	4.00	15.00	130.00	125.00	128.00	+3.00
12.00	11.00	Microsoft	2.00	3.00	10.00	110.00	105.00	108.00	+3.00
11.00	10.00	Apple	1.00	2.00	8.00	100.00	95.00	98.00	+3.00
10.00	9.00	Oracle	0.50	1.00	6.00	90.00	85.00	88.00	+3.00
9.00	8.00	Sun	0.40	0.80	5.00	80.00	75.00	78.00	+3.00
8.00	7.00	HP	0.30	0.60	4.00	70.00	65.00	68.00	+3.00
7.00	6.00	Compaq	0.20	0.40	3.00	60.00	55.00	58.00	+3.00
6.00	5.00	Dell	0.10	0.20	2.00	50.00	45.00	48.00	+3.00
5.00	4.00	Gateway	0.05	0.10	1.00	40.00	35.00	38.00	+3.00
4.00	3.00	Acer	0.02	0.04	0.50	30.00	25.00	28.00	+3.00

13 Month High Low Stock Div Yld PE Ratio High Low Last Change

13 Month High	Low	Stock	Div	Yld	PE Ratio	High	Low	Last	Change
13.00	12.00	IBM	3.00	4.00	15.00	130.00	125.00	128.00	+3.00
12.00	11.00	Microsoft	2.00	3.00	10.00	110.00	105.00	108.00	+3.00
11.00	10.00	Apple	1.00	2.00	8.00	100.00	95.00	98.00	+3.00
10.00	9.00	Oracle	0.50	1.00	6.00	90.00	85.00	88.00	+3.00
9.00	8.00	Sun	0.40	0.80	5.00	80.00	75.00	78.00	+3.00
8.00	7.00	HP	0.30	0.60	4.00	70.00	65.00	68.00	+3.00
7.00	6.00	Compaq	0.20	0.40	3.00	60.00	55.00	58.00	+3.00
6.00	5.00	Dell	0.10	0.20	2.00	50.00	45.00	48.00	+3.00
5.00	4.00	Gateway	0.05	0.10	1.00	40.00	35.00	38.00	+3.00
4.00	3.00	Acer	0.02	0.04	0.50	30.00	25.00	28.00	+3.00

13 Month High Low Stock Div Yld PE Ratio High Low Last Change

13 Month High	Low	Stock	Div	Yld	PE Ratio	High	Low	Last	Change
13.00	12.00	IBM	3.00	4.00	15.00	130.00	125.00	128.00	+3.00
12.00	11.00	Microsoft	2.00	3.00	10.00	110.00	105.00	108.00	+3.00
11.00	10.00	Apple	1.00	2.00	8.00	100.00	95.00	98.00	+3.00
10.00	9.00	Oracle	0.50	1.00	6.00	90.00	85.00	88.00	+3.00
9.00	8.00	Sun	0.40	0.80	5.00	80.00	75.00	78.00	+3.00
8.00	7.00	HP	0.30	0.60	4.00	70.00	65.00	68.00	+3.00
7.00	6.00	Compaq	0.20	0.40	3.00	60.00	55.00	58.00	+3.00
6.00	5.00	Dell	0.10	0.20	2.00	50.00	45.00	48.00	+3.00
5.00	4.00	Gateway	0.05	0.10	1.00	40.00	35.00	38.00	+3.00
4.00	3.00	Acer	0.02	0.04	0.50	30.00	25.00	28.00	+3.00

GE's Small Gain Dismays Investors

Bloomberg Business News

LONDON — General Electric Co. of Britain said Wednesday its pre-tax profit in the year that ended March 31 edged up to \$866 million (\$13 billion) from \$863 million, a result that sent the stock price plunging.

The company said defense sales slowed and some businesses may be sold if profits do not improve. Restructuring costs, charges for laying off employees and heavy research and development spending also hurt earnings. Operating profit slipped to \$884 million from \$955 million as the recession hurt industrial demand, the company said.

Sales totaled \$9.7 billion, up from \$9.4 billion the previous year.

Tokyo Pacific Holdings

Weekly net asset value
on 30.06.94
US \$ 263.17

Listed on the
Amsterdam
Stock Exchange

Information:
MeesPierson Capital Management
Rokin 55, 1012 KK Amsterdam
Tel.: +31-20-5211410.

GT DEUTSCHLAND FUND

Société Anonyme
Registered office: 2, boulevard Royal, L-2953 Luxembourg
R.C. Luxembourg No. B 25023

Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

of shareholders of GT DEUTSCHLAND FUND will be held at the offices of Banque Internationale à Luxembourg, Société Anonyme, 69, route d'Esch, L-1470 Luxembourg, on Friday, July 15, 1994 at 2.30 p.m. with the following agenda:

1. To consider and approve the Reports of the Board of Directors and of the Auditor;
2. To approve the Statement of Net Assets and the Statement of Operations as at March 31, 1993 and to allocate the net results;
3. To discharge the Board of Directors and the Auditor in respect of the performance of their duties for the year ended March 31, 1994;
4. To elect the Directors to serve until the next Annual General Meeting of Shareholders;
5. To elect as Auditor to serve until the next Annual General Meeting of Shareholders: Coopers & Lybrand S.C.;
6. To approve the payment of Director's fees;
7. Any other business;
8. Adjournment.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting.

In order to attend the meeting of July 15, 1994, the owners of bearer shares will have to deposit their shares five clear days before the meeting with the registered office of the company or with Banque Internationale à Luxembourg, 69, route d'Esch, L-1470 Luxembourg.

THE BOARD OF DIRECTORS

CURRENCY AND CAPITAL MARKET SERVICES

CURRENCY MANAGEMENT CORPORATION PLC
11 Old Jewry, London EC2R 8DU
Tel: 071-865 0800 Fax: 071-572 0970
FOREIGN EXCHANGE & GOLD
24 Hour London Dealing Desk
Competitive Rates & Daily Fax Sheet
Call for further information & brochure

COMMODITIES ON THE MOVE
TIME TO SPECULATE?
Call Philip O'Neill
Tel: +44 71 329 3333
Fax: +44 71 329 3919

Signal
130+ software applications
RT DATA FROM \$10 A DAY
Signal SOFTWARE GUIDE
Call London: +44 (0) 71 221 3556
for your guide and Signal price list.

SWIFTCALL COMMUNICATIONS
LONDON - NEW YORK - LONDON
PRIVATE VOICE CIRCUITS - \$10K PER ANNUM
Calls to USA - 20p per minute Japan/Bong Kong - 50p per minute
CALL: LONDON 071 488 2001, DUBLIN (01) 67 10 457

FullerMoney - the Global Strategy Newsletter
Quarterly Bulletin, 33 pages, covering a comprehensive range of global markets, including the US, Europe, Japan, and emerging markets. Includes analysis, commentary, and a full range of market data. Single issue \$15 or \$100 for 12 issues. Subscriptions: \$150 for 12 issues (UK), \$180 for 12 issues (USA). Call for details.
Call London: +44 (0) 71 439 1995

REUTERS 1000
24 hours a day - only \$100 a month!
LIVE FINANCIAL DATA DIRECT TO YOUR PC
hyperCOM
For more information Fax: +45 4587 8773

ECU Terminvest PLC
29 Cheam Place
Belgrave
London SW1X 8HL
Tel: +41 245 0088
Fax: +41 235 6698
Member SFA
FUTURES & OPTIONS BROKERS
\$32 ROUND TURN
EXECUTION ONLY

For further details on how to place your listing contact:
PATRICK FALCONER in London
Tel: (+44) 71 836 0

Murdoch Changes Venue In His Battle With Black

SYDNEY — The media duel between Rupert Murdoch and Conrad Black moved from London to Sydney on Wednesday, after Mr. Murdoch's News Corp. said it had taken a small stake in John Fairfax Holdings Ltd., which is controlled by interests associated with the Canadian media baron.

News Corp. said it bought 12 million shares, or 1.7 percent, of its rival company June 15, a stake currently valued at about \$1 million Australian dollars (\$23 million).

Although the purchase was relatively small and was described by News Corp. as a "passive investment," analysts said the move could be designed to put pressure on Mr. Black, who owns a controlling stake of Fairfax stands at 25 percent.

"It could be part of a strategy to put pressure on Black to sell his stake in Fairfax," said Bob Peters, media analyst at ANZ McCaughan Ltd. "News Corp. would then be there to buy it."

In London, Mr. Black, who owns the newspaper concern Telegraph PLC, and Mr. Murdoch, whose holdings include The Times, are involved in a daily newspaper price war that has rattled London's newspaper industry.

The Times has won market

share from Mr. Murdoch's British rivals with its price cuts.

News of Mr. Murdoch's stake in Fairfax — Australia's oldest media group and the owner of some of its most influential newspapers, including The Sydney Morning Herald, The Age in Melbourne and the Australian Financial Review — surprised the media industry Wednesday.

News Corp. was a mystery buyer of the Fairfax stock until Fairfax forced it to reveal the purchase under Australian Stock Exchange regulations.

The Fairfax group also is 15 percent-owned by Kerry Packard, Australia's richest man and a longtime rival of News Corp. who is currently engaged in a magazine war with Mr. Murdoch.

Under Australian cross-media ownership laws, Mr. Packard, who owns the television company Nine Network Australia Ltd., cannot challenge Mr. Murdoch in a takeover war for Fairfax by raising his stake beyond 15 percent.

Mr. Murdoch would prefer the high-profile and lucrative Fairfax group of newspapers to those he currently owns — the Daily Telegraph and the Australian — analysts said.

If Mr. Black is willing to surrender his Fairfax stake, Mr.

Murdoch would probably sell his Australian newspapers to prevent Australia's monopoly watchdog, the Trade Practices Commission, from intervening, the analysts said.

Mr. Black, who bought into Fairfax in December 1992, has been frustrated in his ownership. This year he lashed out at the government of Prime Minister Paul Keating for not allowing him to raise his stake beyond 25 percent.

Mr. Black said at the time that the government limit placed his Fairfax stake in jeopardy of takeover.

"He may be putting the squeeze on Black to force a play in Fairfax, especially if classified levels turn around," said Peter Cox, a media consultant.

The Sydney Morning Herald and The Age dominate the country's classified-advertising market, generating annual revenue of about 200 million dollars. Classified revenue is expected to rebound this year, after declining the past several years, as the economy strengthens.

Mr. Murdoch has long wanted to break Fairfax's stranglehold on the classified market, but his attempts to make headway in that market with his mostly tabloid Australian newspapers have had little success.

Strong Yen Turns Japanese Buyers To Imported Cars

TOKYO — Further signs of the impact of the high-priced yen on Japanese consumer and industrial trends emerged Wednesday, as the dollar continued to fall.

Yasushi Mieno, the governor of the Bank of Japan, said the Group of Seven industrialized countries would continue their concerted action to prevent sharp swings in the dollar, which closed at 98.30 yen in Tokyo.

At the same time, the Japan Automobile Importers Association said sales of imported motor vehicles surged 42.9 percent in June from a year earlier, to a record for the month of 29,725 units. The strong yen makes imports less expensive in Japan.

The latest increase, on top of a 48.4 percent jump in May, marked seven months of uninterrupted growth and helped lift sales in the first six months of 1994 by 40.3 percent, to a record 137,966 units.

The association said imported cars, trucks and buses — including those made by Japanese companies abroad — claimed a record 6.7 percent of the local market.

"The higher appreciation of the yen considerably encouraged imports to sell foreign cars in Japan," an association official said. He said the trend was likely to continue "for the time being." Sales of imported vehicles made by non-Japanese manufacturers stood at 20,791 in June, while sales of vehicles made by Japanese carmakers abroad totaled 8,934.

But the association official warned that the yen's continued surge might also slow Japan's economic recovery.

In the long term, we can't fully welcome a plunge in the dollar," he said.

Meanwhile, Japanese makers of construction machinery said they were shifting more of their production from Japan to the United

States to counter another effect of the stronger Japanese currency — higher prices abroad for Japanese exports.

A spokesman for Kobe Steel Ltd. said the company would start making the hydraulic excavators it currently exports to the United States at a plant in Georgia by the end of 1995.

But production for other export markets would remain in Japan, he said.

Kobe Steel said it expected to ship 260 hydraulic ex-

The strong yen is also prompting Japanese industries to shift production abroad.

cavators from Japan to the United States in the year ending in March 1995.

Komatsu Ltd., the country's biggest maker of construction machinery, also plans to make more hydraulic excavators, wheel loaders and other machinery in the United States, a spokesman said.

The company's Komatsu Dresser Co. unit in Illinois plans to raise output to 3,500 units this year from 5,200 last year.

Hitachi Construction Machinery Co. plans to increase its hydraulic excavator production at a joint venture with Deere & Co. in North Carolina by 11.1 percent, to 2,000 units this year, a spokesman said.

In another blow to Japan's ailing steelmakers, meanwhile, Mitsubishi Electric Corp. said it was stepping up joint purchases of foreign-made specialty steel from several companies, mostly for use in electricity generators.

Bond Trade In Tokyo Opened to Foreigners

Compiled by Our Staff From Dispatches

TOKYO — In a bid to make the government bond market more efficient as new debt is issued to fund economic stimulus measures, Japan on Wednesday opened the interdealer trading business in yen bonds to foreign companies.

The Ministry of Finance allowed Cantor Fitzgerald Securities Ltd., a New York-based brokerage concern, and Garban International Ltd., based in London, to conduct match-making in the Japanese bond market. Previously, match-making in the yen bond market — acting as an intermediary between buyers and sellers — had been performed only by two Japanese brokers, Japan Bond Trading Co. and Nakadachi Securities Co.

Cantor will be allowed to deal as well as broker, meaning it can buy and sell Japanese government bonds using its own account, as a "buyer of last resort" or if a broker misquotes a price to a customer.

A buyer of last resort can buy securities from a customer when it can find no other buyers. The ministry has instructed Cantor to refrain from speculative trading in Japanese government bonds on its own account.

More liquidity in the yen bond market is essential to smooth issuance of bonds by the government, analysts said.

Faced with its worst recession in decades, Japan has been implementing a series of economic pump-priming steps, causing government debt outstanding to shoot up to 193 trillion yen (\$1.94 trillion) as of March from 178 trillion yen a year earlier, according to Finance Ministry officials.

Much of the debt is in the form of bonds, and the installation of a Socialist-conservative coalition government last week might increase bond issuance, analysts said.

The entry of the foreign firms into Japan's market could add pressure for reforms such as the removal of double taxation on yen bonds, although such a move would probably take considerable time, analysts said.

(Reuters, Bloomberg)

Investor's Asia

Exchange	Index	Wednesday Close	Provisional Close	% Change
Hong Kong Hang Seng	12000	8,454.82	8,823.19	-1.95
Singapore Straits Times	2500	2,162.88	2,187.95	-1.15
Sydney All Ordinaries	1900	1,991.20	2,003.40	-0.61
Tokyo Nikkei 225	2000	20,629.00	20,834.37	-0.99
Kuala Lumpur Composite	1000	995.36	1,004.06	-0.87
Bangkok SET	1000	1,297.45	1,295.64	+0.14
Saigon Composite Stock	1000	953.48	950.49	-0.73
Taipei Weighted Price	1000	6,115.18	6,064.95	+0.83
Mexico PSE	1000	2,627.80	2,695.16	+1.26
Jakarta Stock Index	1000	453.89	456.78	-0.67
New Zealand NZSE-40	1000	1,984.14	1,997.32	-0.66
Bombay National Index	1000	1,952.72	1,841.38	+0.58

Sources: Reuters, AFP International Herald Tribune

Very briefly:

Esso Production Malaysia Inc., a subsidiary of Exxon Corp., plans to invest about \$650 million in a natural gas field off the coast of Malaysia.

Philippine Airlines Inc. fired 180 officers and members of its largest union, which represents baggage handlers and mechanics, causing the union to threaten to strike.

Honda Motor Co. agreed to set up an automaking venture with Dongfeng Automotive Corp. in Guangdong Province in China.

Daewoo Corp. is negotiating with Iran on a joint venture that would produce 50,000 cars a year.

The Philippines has designated a third former U.S. military base, Camp John Hay, as a special economic zone; businesses operating in the zones get special tax benefits.

Bank of Montreal of Paris plans to increase its derivatives services in Asia, especially the development of custom-made swaps and options products.

India is unlikely to meet the government's growth target of 6 percent to 7 percent this year despite a strong rise in exports, according to an independent research firm.

AP, Bloomberg, AFP, APF

Seoul Delays Finance Mergers

SEOUL — South Korea's Finance Ministry said Wednesday it had postponed plans to foster financial conglomerates.

The ministry earlier planned to create financial giants, known locally as chaebol, by allowing mergers and acquisitions of financial companies to try to improve the sector's ability to compete globally.

"But it is not appropriate to discuss the introduction of financial conglomerates at this stage," Yoon Jeung Hyon, director-general of the ministry, said.

"If we pursue the attempt artificially, the government would incur unnecessary criticism, and the chaebol would monopolize the financial services sector," he said at a public hearing.

A ministry official said the idea had been postponed rather than scrapped.

Luoyang Glass Faces Shaky Debut

HONG KONG — China's second batch of companies to join the Hong Kong stock market might have an inauspicious debut Friday.

Luoyang Glass Co., one of 22 companies designated by Beijing for its latest group of overseas listings, is likely to drop below its public-offering price when its shares start trading, brokers and analysts said.

"We learned a lot from the previously listed ones," a sales director at a local brokerage concern said of the Chinese companies. "They do not even report interim results, so how can you trust them? I do not think they can stand firm on Friday, above the subscription price."

The fault, however, may lie more with general wariness about China's economy and with local market conditions than with Luoyang Glass as a company, analysts said.

"Obviously, sentiment for H shares has dropped quite a lot from last year because China's economic overview is not as promising as far and because the local Hong Kong stock market is very sluggish," said Eva Chun, an analyst with

Seapower Securities, referring to a class of Chinese shares traded in Hong Kong.

Not is the record of the first batch of H shares encouraging in all cases. While Tiansing Brewery Co., which issued the first H shares in July 1993, has nearly doubled since its debut, four of the nine remain below their offer prices.

Luoyang Glass said last week that its public offering of 68.5 million H shares was only 2 percent oversubscribed.

"Actually, this figure shows that they are under-subscribed," a trader at a regional brokerage concern said. He said underwriters were rumored to have taken up much of the issue to avoid an embarrassing undersubscription, he said.

The subscription ratio of just 1.02 times the number of shares offered contrasted starkly with the heavy oversubscriptions for some of the first batch of H shares, which were launched near the peak of a bull market.

After rising to more than 12,500 points in January, the Hong Kong market's Hang Seng index ended at 8,454.92 on Wednesday, on volume less than one-sixth of its peak levels.

Shipments Of Chips Surging In Korea

SEOUL — South Korean semiconductor exports have been soaring beyond all expectations, with shipments at the country's three biggest chip makers jumping 60 percent in the first half of the year, company officials and analysts said Wednesday.

The "big three" manufacturers — Samsung Electronics Co., Hyundai Electronics Co. and Gold Star Co. — exported \$3 billion of semiconductor chips in the year to June 30.

"It's more than a boom," said Ju Deo Young, an analyst with the Korea Institute for Industrial Economy and Technology. "This upsurge will last until the end of next year."

Fierce competition for market share has forced the big three, all subsidiaries of powerful conglomerates, to upgrade production facilities.

Mr. Ju said companies in South Korea invested heavily in mass production of semiconductors while other countries, including Japan, were hesitant to take the risk. That investment commitment, he said, is now paying off.

Mr. Ju said such decisions could be made quickly by South Korea's family-controlled conglomerates.

The life cycle of four-megabyte dynamic random access memory, or D-RAM, chips also turned out to be longer than expected in overseas markets, bringing in millions of dollars of unexpected profits.

Against this backdrop of booming sales, the big three are again pouring more money into expansion, especially in production facilities for updated chips — specifically, 16-megabyte D-RAM and 64-megabyte D-RAM chips.

For this year alone, the three companies earmarked some \$3 billion for semiconductor investment.

Samsung Electronics, which accounted for 27 percent of South Korea's overall electronics exports with \$6.63 billion in overseas sales, doubled its net profit last year to \$191.3 million.

Samsung now expects total sales to increase to \$12.5 billion this year, from \$10.1 billion last year, led by semiconductors.

GT BIOTECHNOLOGY & HEALTH FUND

Société Anonyme
Registered office: 2, boulevard Royal, L-2953 Luxembourg
R.C. Luxembourg No. B 24840

Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

of shareholders of GT BIOTECHNOLOGY & HEALTH FUND will be held at the offices of Banque Internationale à Luxembourg, Société Anonyme, 69, route d'Esch, L-1470 Luxembourg, on Friday, July 15, 1994 at 3.00 p.m. with the following agenda:

1. To consider and approve the Reports of the Board of Directors and of the Auditor;
2. To approve the Statement of Net Assets as at March 31, 1994 and the Statement of Operations for the year ended March 31, 1994 and to allocate the net results;
3. To discharge the Board of Directors and the Auditor in respect of the performance of their duties for the year ended March 31, 1994;
4. To elect the Directors to serve until the next Annual General Meeting of Shareholders;
5. To elect an Auditor to serve until the next Annual General Meeting of Shareholders; Coopers & Lybrand S.C.
6. To approve the payment of Director's fees;
7. Any other business;
8. Adjournment.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting.

In order to attend the meeting of July 15, 1994, the owners of bearer shares will have to deposit their shares five clear days before the meeting with the registered office of the company or with Banque Internationale à Luxembourg, 69, route d'Esch, L-1470 Luxembourg.

THE BOARD OF DIRECTORS

GT US SMALL COMPANIES FUND

Société Anonyme
Registered office: 2, boulevard Royal, L-2953 Luxembourg
R.C. Luxembourg No. B 25176

Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

of shareholders of GT US SMALL COMPANIES FUND will be held at the offices of Banque Internationale à Luxembourg, Société Anonyme, 69, route d'Esch, L-1470 Luxembourg, on Friday, July 15, 1994 at 4.00 p.m. with the following agenda:

1. To consider and approve the Reports of the Board of Directors and of the Auditor;
2. To approve the Statement of Net Assets and the Statement of Operations as at March 31, 1994 and to allocate the net results;
3. To discharge the Board of Directors and the Auditor in respect of the performance of their duties for the year ended March 31, 1994;
4. To elect the Directors to serve until the next Annual General Meeting of Shareholders;
5. To elect an Auditor to serve until the next Annual General Meeting of Shareholders; Coopers & Lybrand S.C.
6. To approve the payment of Director's fees;
7. Any other business;
8. Adjournment.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting.

In order to attend the meeting of July 15, 1994, the owners of bearer shares will have to deposit their shares five clear days before the meeting with the registered office of the company or with Banque Internationale à Luxembourg, 69, route d'Esch, L-1470 Luxembourg.

THE BOARD OF DIRECTORS

NEWS EVENTS WHICH COULD AFFECT YOUR LIFE:

Slow Recovery in Europe
Unresolved Problems in Bosnia
Civil War in Rwanda
Political Changes in Japan

FOLLOW THE WORLD EVERY DAY IN THE IHT

Subscribe now **47%** off the cover price

CALL US TOLL-FREE

AUSTRIA: 0660 8155 LUXEMBOURG: 0800 2703
BELGIUM: 0 800 1 7538 SWITZERLAND: 155 57 57
FRANCE: 05 437 437 THE NETHERLANDS: 06 022 51 58
GERMANY: 0130 848585 UNITED KINGDOM: 0800 89 5965

Or send in the coupon below.

Country/Currency	12 months + 2 months FREE	6 months + 1 month FREE	3 months + 13 FREE issues
Austria A.Sch.	6,000	3,300	1,800
Belgium B.F.	14,000	7,700	4,200
Denmark D.K.	3,400	1,900	1,050
Finland F.M.	1,900	1,000	700
France F.F.	2,400	1,200	650
Germany G.M.	700	385	210
Greece G.	210	115	65
Ireland I.R.	220	125	68
Italy I.L.	500,000	275,000	150,000
Japan J.P.	14,000	7,700	4,200
Netherlands H.G.	770	420	230
Norway N.K.	3,500	1,900	1,050
Portugal P.	47,000	25,000	14,000
Spain S.P.	35,000	19,000	10,500
Sweden (Swedish) S.K.	3,100	1,700	900
Switzerland S.F.	3,200	1,800	1,000
United Kingdom S.	610	335	185
United States S.	485	265	145
Rest of Europe on C.E.	630	345	190
C.E. N. Africa, Former French Africa, Middle East	780	420	235
Rest of Africa, Asia, Central and South America	800	435	240

* For information concerning hand-delivery in major German cities call toll free IHT Germany at 0130-84 85 85 or fax (069) 175 413. Under German regulations, a 2-week free period is granted for all new orders.

INTERNATIONAL
Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Yes, I want to start receiving the IHT. This is the subscription term I prefer (check appropriate boxes):

- ☐ 12 months (364 issues in all with 52 bonus issues).
☐ 6 months (182 issues in all with 26 bonus issues).
☐ 3 months (91 issues in all with 13 bonus issues).
My check is enclosed (payable to the International Herald Tribune).
Please charge my: ☐ American Express ☐ Diners Club ☐ VISA ☐ MasterCard ☐ Eurocard ☐ Access

Credit card charges will be made in French Francs of current exchange rates.

CARD ACT. NO. _____

DATE _____ SIGNATURE _____

FOR BUSINESS ORDERS, PLEASE INDICATE YOUR VAT NUMBER

IHT VAT number: FR 473202112611

☐ Mr. ☐ Mrs. ☐ Miss FAMILY NAME _____

FIRST NAME _____

PERMANENT ADDRESS: ☐ HOME ☐ BUSINESS _____

CITY/CODE _____

COUNTRY _____

TEL _____ FAX _____

Return your completed coupon to: Subscription Manager, IHT, 181 Avenue Charles de Gaulle, 92021 Neuilly Cedex, France.
Fax: 33 1 46 37 06 51 - Tel: 33 1 46 37 06 61
This offer expires August 31, 1994, and is available to new subscribers only.

CHG 1/4

July 6, 1994

INTERNATIONAL FUNDS

[illegible]

Fax: (44 71) 836 0717

OIL & MONEY

London · October 17 & 18

The Oil Daily Group **Herald** INTERNATIONAL **Tribune**

Fax: (44 71) 836 0717

SPORTS

Jays' Coles Gets a Chance, Responds With 3 Homers

The Associated Press
Look up Darnell Coles in the Baseball Who's Who and you find an entry that looks like something from a road atlas. He's played with Toronto, Cincinnati, San Francisco, Pittsburgh, Seattle twice and Detroit, also twice. There have been stops along the way in Bellingham, Wausau, Bakersfield, Chantanooga, Salt Lake City, Calgary, Toledo, Phoenix and Nashville.

For most of his 14-year career, he has been a utility player, patiently awaiting his call to play. Last season, he and Dick Schofield were the only members of the Blue Jays not to get into a single game in the playoffs or World Series.

On Tuesday night, he got his chance to play and he was determined that a dislocated finger would not stop him. It didn't.

Coles hit three home runs, becoming the sixth major leaguer to do so this year, in leading Toronto over the host Minnesota Twins, 14-3.

"I was just hoping I could play because my finger was barking at me all day," Coles said.

He hurt the finger Monday night when he dove into first base. He was scheduled to start Tuesday while third baseman Ed Sprague was in California with his wife, who gave birth Monday, but the injury left his status in doubt.

"He said he was O.K., but there were a few guys who doubted whether he was telling the truth," said the manager of the Blue Jays, Cito Gaston.

Coles began the game batting .145 — 8-for-55 — with one homer and six runs batted in. It was his second three-homer game in the majors, the first coming in 1987 with Pittsburgh.

Coles hit a two-run homer in the fifth inning and solos in the eighth and ninth. He joined Tim Lincecum, Jose Canseco, Karl Rhodes, Cory Snyder and Jeff Bagwell this year.

Paul Molitor hit his second career grand slam and Joe Carter followed with his 18th homer of the season during a

steal. Chili Davis hit his 16th homer and drove in three runs.

Rangers 4, Indians 3: Kevin Brown returned from visiting his ailing father in Georgia and tied a career high with 10 strikeouts as Texas beat visiting Cleveland.

The Rangers scored twice in the sixth, with Rusty Greer's run-producing single breaking a 3-3 tie, and overcame three errors by third baseman Dean Palmer to win for the fifth time in six games. The Indians had won five in a row.

Tigers 6, White Sox 2: White Sox 6, Tigers 4: Jack McDowell struck out a career-high 11 in only six innings and Frank Thomas hit his 30th home run as Chicago salvaged a doubleheader split in Detroit.

In the opener, Cecil Fielder and Tony Phillips homered in a four-run first inning for Detroit.

Royals 10, Brewers 5: Bob Hamelin homered, doubled and drove in three runs as Kansas City won at home. The Royals hit four doubles and Milwaukee hit six.

Orioles 5, Mariners 2: Cal Ripken drove in two runs and Brady Anderson homered as Baltimore, playing at home, again shut down Seattle's Ken Griffey Jr. and won its third in a row.

Griffey, who leads the majors with 32 home runs, has gone a season-high 10 games without connecting. He is hitless in two straight games. The Mariners have also lost three straight.

Angels 10, Red Sox 3: Chris Turner, who began the game batting .138, went 5-for-5 and became the first California catcher to steal home as the visiting Angels ended a 10-game losing streak against Boston, which included seven defeats this season.

Turner doubled twice, drove in two runs and scored two. He came home as part of a double

AL ROUNDUP

six-run seventh. Molitor also had two singles and a double.

Juan Guzman (7-9) won for the first time since June 3. Pat Mahomes (7-4) was the loser as the Twins dropped their fifth in a row.

Athletics 8, Yankees 7: Gerónimo Berroa's two-run homer in the seventh gave Oakland its victory in New York. The A's have won 10 of 11 while the Yankees have lost five of six.

Ruben Sierra also homered for the A's, while Matt Nokes homered twice and Danny Tartabull once for the Yankees. Paul O'Neill had four hits and is batting .373.

Orioles 5, Mariners 2: Cal Ripken drove in two runs and Brady Anderson homered as Baltimore, playing at home, again shut down Seattle's Ken Griffey Jr. and won its third in a row.

Griffey, who leads the majors with 32 home runs, has gone a season-high 10 games without connecting. He is hitless in two straight games. The Mariners have also lost three straight.

Angels 10, Red Sox 3: Chris Turner, who began the game batting .138, went 5-for-5 and became the first California catcher to steal home as the visiting Angels ended a 10-game losing streak against Boston, which included seven defeats this season.

Turner doubled twice, drove in two runs and scored two. He came home as part of a double

SCOREBOARD

BASEBALL

Major League Standings

Team	W	L	Pct.	GB
New York	47	31	.606	—
Baltimore	47	31	.606	—
Boston	40	41	.494	19½
Detroit	38	44	.463	22
Toronto	35	48	.420	25½

Central Division

Team	W	L	Pct.	GB
Cleveland	47	31	.606	—
Chicago	42	39	.519	6½
Kansas City	40	41	.494	9
Minnesota	38	44	.463	11½
Milwaukee	35	48	.420	14½

West Division

Team	W	L	Pct.	GB
Oakland	47	31	.606	—
Seattle	40	41	.494	19½
San Diego	38	44	.463	22
Los Angeles	35	48	.420	25½
California	32	51	.386	28½

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	47	31	.606	—
Montreal	47	31	.606	—
Philadelphia	40	41	.494	19½
New York	38	44	.463	22
Florida	35	48	.420	25½

Central Division

Team	W	L	Pct.	GB
St. Louis	47	31	.606	—
San Francisco	40	41	.494	19½
Pittsburgh	38	44	.463	22
Chicago	35	48	.420	25½
Los Angeles	32	51	.386	28½

West Division

Team	W	L	Pct.	GB
San Diego	47	31	.606	—
San Francisco	40	41	.494	19½
Pittsburgh	38	44	.463	22
Chicago	35	48	.420	25½
Los Angeles	32	51	.386	28½

Tuesday's Line Scores

Team	W	L	Pct.	GB
Chicago	9	8	.524	—
Detroit	4	9	.308	—
San Francisco	9	8	.524	—
Los Angeles	9	8	.524	—
San Diego	9	8	.524	—

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	9	8	.524	—
Montreal	9	8	.524	—
Philadelphia	9	8	.524	—
New York	9	8	.524	—
Florida	9	8	.524	—

Central Division

Team	W	L	Pct.	GB
St. Louis	9	8	.524	—
San Francisco	9	8	.524	—
Pittsburgh	9	8	.524	—
Chicago	9	8	.524	—
Los Angeles	9	8	.524	—

West Division

Team	W	L	Pct.	GB
San Diego	9	8	.524	—
San Francisco	9	8	.524	—
Pittsburgh	9	8	.524	—
Chicago	9	8	.524	—
Los Angeles	9	8	.524	—

Tuesday's Line Scores

Team	W	L	Pct.	GB
Chicago	9	8	.524	—
Detroit	4	9	.308	—
San Francisco	9	8	.524	—
Los Angeles	9	8	.524	—
San Diego	9	8	.524	—

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	9	8	.524	—
Montreal	9	8	.524	—
Philadelphia	9	8	.524	—
New York	9	8	.524	—
Florida	9	8	.524	—

Central Division

Team	W	L	Pct.	GB
St. Louis	9	8	.524	—
San Francisco	9	8	.524	—
Pittsburgh	9	8	.524	—
Chicago	9	8	.524	—
Los Angeles	9	8	.524	—

West Division

Team	W	L	Pct.	GB
San Diego	9	8	.524	—
San Francisco	9	8	.524	—
Pittsburgh	9	8	.524	—
Chicago	9	8	.524	—
Los Angeles	9	8	.524	—

Tuesday's Line Scores

Team	W	L	Pct.	GB
Chicago	9	8	.524	—
Detroit	4	9	.308	—
San Francisco	9	8	.524	—
Los Angeles	9	8	.524	—
San Diego	9	8	.524	—

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	9	8	.524	—
Montreal	9	8	.524	—
Philadelphia	9	8	.524	—
New York	9	8	.524	—
Florida	9	8	.524	—

Central Division

Team	W	L	Pct.	GB
St. Louis	9	8	.524	—
San Francisco	9	8	.524	—
Pittsburgh	9	8	.524	—
Chicago	9	8	.524	—
Los Angeles	9	8	.524	—

West Division

Team	W	L	Pct.	GB
San Diego	9	8	.524	—
San Francisco	9	8	.524	—
Pittsburgh	9	8	.524	—
Chicago	9	8	.524	—
Los Angeles	9	8	.524	—

Tuesday's Line Scores

Team	W	L	Pct.	GB
Chicago	9	8	.524	—
Detroit	4	9	.308	—
San Francisco	9	8	.524	—
Los Angeles	9	8	.524	—
San Diego	9	8	.524	—

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	9	8	.524	—
Montreal	9	8	.524	—
Philadelphia	9	8	.524	—
New York	9	8	.524	—
Florida	9	8	.524	—

Central Division

Team	W	L	Pct.	GB
St. Louis	9	8	.524	—
San Francisco	9	8	.524	—
Pittsburgh	9	8	.524	—
Chicago	9	8	.524	—
Los Angeles	9	8	.524	—

West Division

Team	W	L	Pct.	GB
San Diego	9	8	.524	—
San Francisco	9	8	.524	—
Pittsburgh	9	8	.524	—
Chicago	9	8	.524	—
Los Angeles	9	8	.524	—

Tuesday's Line Scores

Team	W	L	Pct.	GB
Chicago	9	8	.524	—
Detroit	4	9	.308	—
San Francisco	9	8	.524	—
Los Angeles	9	8	.524	—
San Diego	9	8	.524	—

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	9	8	.524	—
Montreal	9	8	.524	—
Philadelphia	9	8	.524	—
New York	9	8	.524	—
Florida	9	8	.524	—

Central Division

Team	W	L	Pct.	GB
St. Louis	9	8	.524	—
San Francisco	9	8	.524	—
Pittsburgh	9	8	.524	—
Chicago	9	8	.524	—
Los Angeles	9	8	.524	—

West Division

Team	W	L	Pct.	GB
San Diego	9	8	.524	—
San Francisco	9	8	.524	—
Pittsburgh	9	8	.524	—
Chicago	9	8	.524	—
Los Angeles	9	8	.524	—

Tuesday's Line Scores

Team	W	L	Pct.	GB
Chicago	9	8	.524	—
Detroit	4	9	.308	—
San Francisco	9	8	.524	—
Los Angeles	9	8	.524	—
San Diego	9	8	.524	—



Raul Mondesi, right, was a well-baited Dodger after his homer in the 10th beat the Expos.

Mets Blow Chance At First No-Hitter

The Associated Press

The New York Mets, who have won two World Series in their 33-year history, still don't have a no-hitter in their record book.

All-Star Bret Saberhagen almost changed that. Saberhagen, who threw a no-hitter for the Kansas City Royals in 1991, pitched perfect ball for six innings Tuesday before allowing a leadoff home in the seventh to the Giants' Darren Lewis in New York's 4-2 victory in San Francisco.

He was the first Mets pitcher to take a perfect game into the seventh inning since Tom Seaver did it on Sept. 24, 1975. "I started thinking no-hitter going into the fourth inning," Saberhagen said. "I've been in that situation before. The thing is you don't want to think perfect game."

"The one bad pitch I made was to Lewis. Everything went then — the perfect game, the no-hitter and the shutout. You have to think no-hitter. I had a pretty good idea of what I was doing. I just didn't want to walk Lewis leading off, and I came in with a bad pitch."

Saberhagen, who also allowed a leadoff homer to Dave Martinez in the eighth, gave up only two hits in eight innings. He has struck out 98 batters this season while walking just nine, a ratio of nearly 11 to 1.

Saberhagen also helped himself offensively, with a run-scoring double for his first major league RBI in 110 at-bats. Consecutive two-out singles by Joe Orsulak, Bobby Bonilla and Jeff Kent off John Burkett made it 1-0 in the first inning. Ryan Thompson, Saberhagen, and Jose Vizcaino hit two-out doubles in the sixth for a 3-0 lead.

Plantes 3, Braves 1: Jay Bell's two-run triple in Atlanta gave Pittsburgh its victory in a game delayed by rain three times before it was called after 6½ innings in the opener of a scheduled doubleheader.

Bell had one of only two hits off John Smoltz, who went seven innings and gave up three runs — two earned — walked four and struck out six. Denny Neagle gave up four hits — three to David Justice — as the Pirates snapped a three-game losing streak. But they have beaten the Braves six of seven times this season.

Astros 3, Cardinals 1: Pete Harnisch and two relievers combined on a four-hitter in St. Louis, and Steve Finley had a home run and two RBIs as Houston won its fourth straight while handing the Cardinals their fourth straight loss.

Craig Biggio led off the game with his fifth home run and Finley hit his ninth leading off the fifth.

Rockies 9, Cubs 6: Pinch-hitter Howard Johnson tied the game in Chicago with a three-run homer and Andres Galarraga hit his 234th home run to cap a six-run seventh for Colorado.

Chicago's Mark Grace hit a three-run homer in the first off Kevin Ritz and Sammy Sosa had a solo shot in the third.

Reds 9, Marlins 4: In Miami, Kevin Mitchell hit two of his team's five home runs as Cincinnati won its fifth straight and Florida lost its fourth straight.

Padres 7, Phillies 2: Eddie Williams, who played scumper ball last fall after being out of the majors the previous three seasons, hit his first career grand slam as San Diego beat visiting Philadelphia.

Williams, hitting .375 with five homers and 19 RBIs since being promoted three weeks ago, homered off Bobby Munoz with two outs in the fifth.

Dodgers 2, Expos 1: Raul Mondesi homered off John Wetteland with one out in the 10th in Los Angeles after Montreal starter Jeff Fassero had retired 22 consecutive hitters.

back: Jason Phillips, wide receiver, and Percy Knight, quarterback, released Jonathan Quinn, defensive lineman.

NEW ORLEANS—Stated Mario Bates, running back, in three-year career.

SPORTS WORLD CUP

Coming This Weekend: The Magnificent Seven Take On King Kong

BOSTON — It's a United Nations chamber of 24 seats, only eight of them occupied. Germany is the first to speak.

"Now that our American friends are gone," he says with a smirk, "I think we can move along with normal business."

Brazil slams a hand on the round table and says, "Who placed you in charge?"

"I placed myself in charge, four years ago," Germany says, not a little smugly. "When was the last time you won the championship? I don't think I see Pelé in this room."

The Bulgarian says, coldly, "Perhaps I should remind my German friend that had he been supervised by my referee in the second round, then a penalty kick most certainly would have been ordered against Germany with the unfortunate but entirely possible consequence of excluding him from trying to order the rest of us around inside these chambers."

"If only I could have said this so eloquently," says Italy, with a respectful nod to the Bulgarian.

Germany smiles, hands clasped, until the room is quiet. "Must we bicker?" he says, and he makes a point of looking at everyone except Brazil. "I am speaking to my European friends and former comrades. Is it not clear that we rule the football world? I am speaking — and now he is staring across the table at Brazil — I am directing these comments to my neighbors from Sweden, to Romania, to Italy and Spain, to the Netherlands — and, of course, to my dear Bulgarian friend, to whom my congratulations for achieving the quarterfinal are laced with condolences that your journey cannot possibly go further."

Bulgaria says quietly, "I vow to destroy you in the quarterfinal."

To which Germany responds, "You did a wonderful job in your penalty shootout with Mexico. That must have been very difficult."

Just then there is a banging at the door, a muffled wailing. Instinctively the Romanian jumps to his feet, but Brazil casually motions for him to sit.

"It is only Maradona," says Brazil with a bored look. "In a few minutes he will forget why he has come. Until then, perhaps each of you will accept a cigar from me, which I offer humbly in celebration of our ascension to the quarterfinals of the 15th World Cup — which, may I remind you, was known as the Jules Rimet Trophy until I became the first to win it three times, at which point this most beautiful trophy was retired."

"And then Pelé retired," says Germany with a sigh. Italy shouts, "I too have three World Cup trophies."

"Yes, I believe you won it in 1934 and 1938," says Germany. "I had a grandfather who used to remember this, but he died a long time ago."

For a moment they must concentrate on lighting their cigars.

Germany leans back, looking dreamily into his own smoke, and announces, "I think we can agree that it is Germany, with three World Cups since 1954, which has dominated in the modern era."

"Ever since the war, don't you mean," says the Netherlands.

Maradona is kicking and slapping at the door, and the quarterfinalists seem to be enjoying it — until Sweden yanks the cigar from his mouth and declares, with a subdued horror: "Are we sure this is not the police trying to break in?"

They look at Sweden. Slowly he points to the sign posted behind him: SMOKING PROHIBITED.

The others break into a huge, throaty laugh — especially the Spaniard who is standing on the table, laughing through his cigar-clenched teeth, unscrewing the smoke detector from the ceiling. He tosses it on the floor and the Romanian and the Italian, giggling, run over and take turns stomping it.

When all have returned to their seats and settled down, they realize that their outburst apparently has frightened away Maradona.

"Shall we get down to business," Germany says, without phrasing the question.

"He so simply takes charge?" Brazil says to the other Europeans. None of them responds.

"So," Germany says, looking up from the briefcase opened before him, pen in hand. "The first game of the quarterfinal round is Spain vs. Italy this coming Saturday in Boston."

"I have seen Italy and I can only express my joy that I will not be playing Nigeria," Spain says evenly. "I mean to say that I shall have no problem against Italy — just as I shall have no problem in the semifinal against you!" He is pointing his cigar at Germany.

"Hey, hey!" shouts Bulgaria. Germany turns to Italy and says, "Do you wish to respond?"

Italy is propped back, hands on his belly, a lippy smile around his cigar. "Roberto Baggio will speak for us," he says.

"We shall see," says Germany. "The next match is the Netherlands against Brazil in Dallas. Brazil withdraws his cigar to speak, but Germany is talking to the Netherlands: "You will win on Saturday for Europe."

"Without Rudi Voller and Marco van Basten, in the afternoon heat of Dallas, it is going to be very difficult," the Netherlands admits.

Germany, staring, says: "You must win."

And Brazil, which has been the class of the tournament, smiles a contented smile toward the defending champion — whose face, as he hunches to write, wrinkles much more easily than it did in 1990.

Calmly, Brazil pushes himself away from the table but before he can reach the door, Germany is stating a little too loudly, "Our Brazilian friend needs rest after being tested so thoroughly by the Americans."

The door clicks shut behind Brazil.

"You should not be angering him," the Netherlands says to Germany. "It is we who have to oppose him."

"You have to exhaust him, damage him," Germany says. "Then I will beat him in the final."

"Over Stokichov's body you will," Bulgaria says, making sure of slamming the door on his way out.

"Bulgaria will not be a problem for us Sunday in New Jersey," Germany says firmly, and perhaps a bit too confidently. "The last quarterfinal game on Sunday in San Francisco will be . . . here he does have to resort to the schedule. . . Sweden and Romania."

Sweden looks at Romania, and Romania looks at Sweden. They both shrug.

"Very well. Good luck to all," Germany says, closing his briefcase. But his fellow Europeans can all see that he is concerned about Brazil.

WORLD CUP WRAP-UP

Compiled by Our Staff From Dispatches

The homecoming party for Ireland's team is back on: A day after organizers canceled plans for a welcoming ceremony, officials announced that the festivities will go ahead after all Thursday in Dublin's Phoenix Park.

Up to 19 of the 22 members of the team are due to fly back to Ireland, including, he said, its coach, Jack Charlton.

The British bookmakers William Hill said a man it would identify only as a Malaysian had lost £121,000 (\$186,000) betting on Mexico to beat Bulgaria.

Graham Sharpe, a William Hill spokesman, said it was the biggest loss on a soccer bet that the bookmaker could remember.

Had the man won, he would have gotten £255,000. Said Sharpe, "When you bet that amount of money you tend to be philosophical about losing, rather than upset. We expect to hear from him again soon."

Italy's joy over their team's victory was marred when a 15-year-old boy who fired a pistol at a celebration in the town of Hercolaneum, near Naples, accidentally killed his 7-year-old cousin, police said.

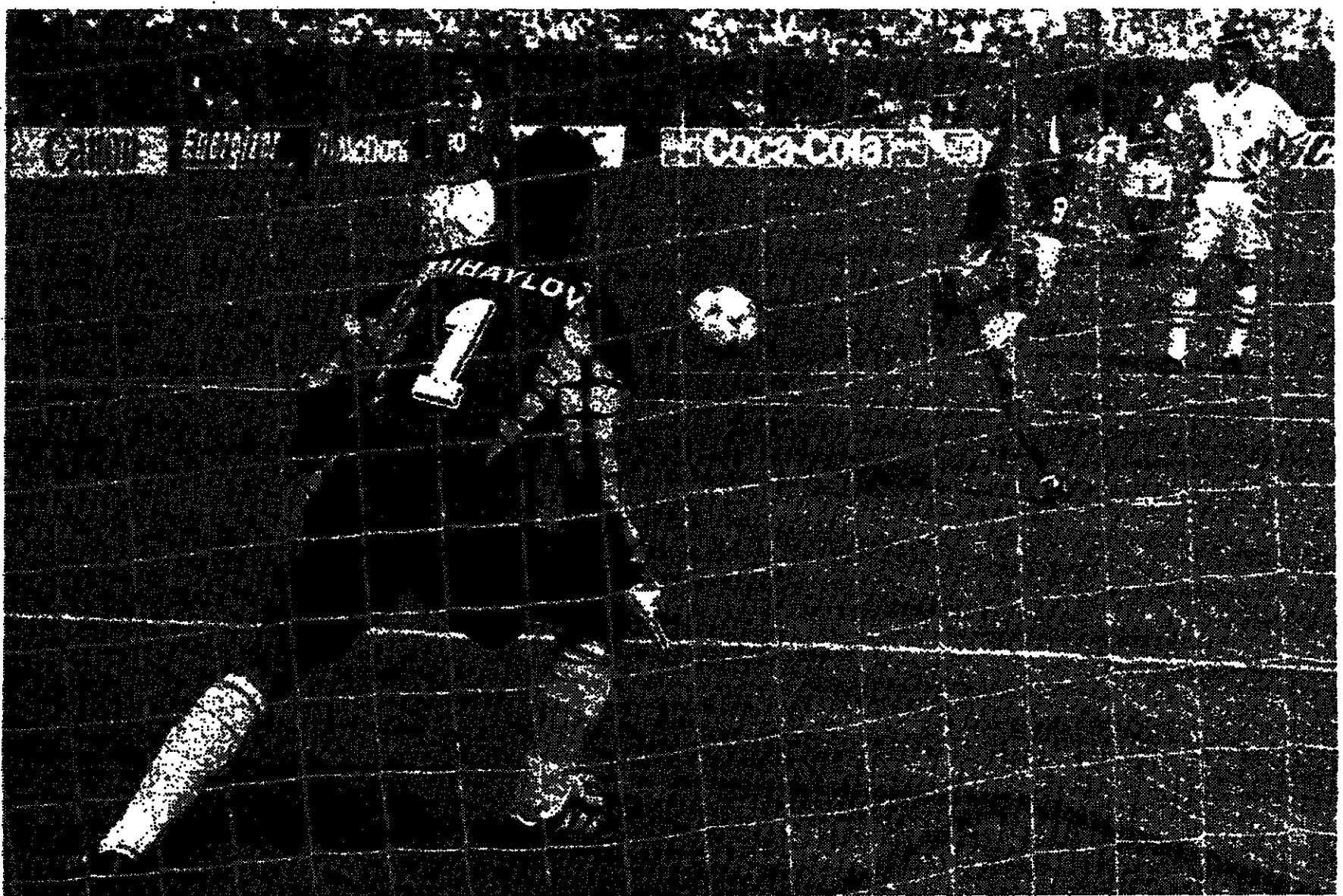
Salvatore Oliva died in hospital after he was hit by a bullet in the heart. Police said his uncle, Domenico Giampaglia, had a permit for the gun but was charged with not having kept it out of the reach of children.

South Korea has selected Anatoli Bychovets of Ukraine to replace Kim Ho as coach of the national team, officials said. He quit last week after his team failed to win a match in the United States. Bychovets, 47, who has been a technical adviser to South Korea's team since February, coached the Soviet team that won the Olympic gold medal in Seoul.

Carlos Bilardo, who coached Argentina to the World Cup title in 1986, will be offered at least a three-year contract to head Uruguay's team, the president of the Uruguayan association said.

The 12-point penalty imposed on English Premier League club Tottenham for making irregular payments has been cut to six points on appeal, but a record £600,000 (\$920,000) fine has been increased to £1.5 million, the FA said.

(Reuters, AP)



Alberto Garcia Aspe beat Bulgarian goalkeeper Borislav Mihaylov to give Mexico a tie in the 18th minute, but also was instrumental in its losing the shootout.

Dutch Players Say the Orange Flame's Now Fully Lit

By Alex Yanniss
New York Times Service

ORLANDO, Florida — The Orange Flame from the Netherlands is burning again, in a way reminiscent of 1974 and 1978, when the Dutch reached the championship game of those tournaments.

After an average showing in the first round, the Dutch unleashed a spark in the second round with a 2-0 triumph over Ireland that earned them a date with Brazil Saturday in Dallas.

The Dutch played so well against Ireland that their coach, Dick Advocaat, allowed the players to spend Tuesday with their wives or girlfriends at a local resort. The players worked out only lightly in the evening before leaving Wednesday morning for Dallas to play in the quarterfinals for the first time since 1978.

The two times the Dutch lost the championship game it was to the host country, Germany in 1974 and Argentina in 1978. This year, the United States will not be a problem, but Brazil will be.

"In a way, it's a shame that we have to

play Brazil so early," said Dennis Bergkamp, who scored the first goal against the Irish. "I think both of us deserve to be at least in the semifinals."

While the Brazilians had trouble finishing in their 1-0 elimination of the United States on Monday, the Dutch were effective in every department against Ireland.

"In the game against Ireland, we took our game to another level," Bergkamp said.

Parreira, under fire because his team is

seen as not as entertaining as past Brazilian sides, promised that the next match would be a thriller, if the Dutch cooperate.

"If the Dutch come out and play, it will be a great game," he said. "The trouble is that all the teams we've faced so far have changed their style against us."

"You're not going to get exciting football when one of the teams puts nine or 10 players behind the ball. In all of our games, we've been the only team wanting to play."

For the skeptics who believe that the Brazilians are not as strong as they appear, Bergkamp had a warning. "Brazil is Brazil," he said. "They are very good, very talented and have two great forwards in Bebeto and Romário."

Ronald Koeman, the Dutch captain, sounded as if his team had not quite displayed all its weapons thus far.

"Each team has its own qualities, and we'll show them as we progress," he said. "Our goal is to reach the final."

Brazil Coach Promises a 'Thriller'

SAN JOSE, California — Brazil's coach, Carlos Alberto Parreira, says he is happy to face the Netherlands rather than Ireland in Saturday's quarterfinal in Dallas.

The Dutch eliminated Ireland in the second round, much to Parreira's relief.

"The aerial game always causes more problems than a team that keeps the ball on the ground," he said.

Parreira, under fire because his team is

seen as not as entertaining as past Brazilian sides, promised that the next match would be a thriller, if the Dutch cooperate.

"If the Dutch come out and play, it will be a great game," he said. "The trouble is that all the teams we've faced so far have changed their style against us."

"You're not going to get exciting football when one of the teams puts nine or 10 players behind the ball. In all of our games, we've been the only team wanting to play."

FIFA Banishes Brazilian Player From Rest of the Tournament

Compiled by Our Staff From Dispatches

DALLAS — Brazil's Leonardo, sent off for elbowing U.S. midfielder Tab Ramos in the head during Monday's match, was banned Wednesday for four matches.

FIFA's disciplinary committee, obviously wanting to make an example, handed out its heaviest penalty of this tournament. The suspension will keep Leonardo from playing in any more of Brazil's matches in this World Cup final.

He previously had barred Romania's Ion Vlăduțiu for three matches for a high-kick foul on Switzerland's Christophe Ohrel.

FIFA's secretary general, Sepp Blatter, said of the disciplinary committee's ruling: "They realized it was aggression. It was a revenge foul. This was revenge."

The "boot" did not take into consideration his apology or the fact that the player was still in hospital.

FIFA said Brazil had three days to lodge an appeal because the suspension was for longer than two matches. Leonardo was also fined 10,000 Swiss francs.

Italy's Gianfranco Zola was banned for two matches for "serious foul play" in Tuesday's second round match with Nigeria.

Zola was ordered off only 11 minutes after he came onto the field as a second-half substitute for what looked like a wild

retaliatory tackle after he had a penalty appeal turned down.

But television replays showed he failed to make any contact with the Nigerian defender, Augustine Eguavoen.

Bulgaria's Emil Kremenliev, ordered off along with Mexico's Luis Garcia after a second yellow card, will miss the quarterfinal against Germany.

The Mexican and Syrian referees who came under heavy criticism for their handling of Tuesday's second-round matches were not named to officiate in the quarterfinals when FIFA made its selections on Wednesday.

FIFA left out Pablo Brizio of Mexico, who sent off Italy's Gianfranco Zola for an innocuous tackle in the match with Nigeria, and Jamal Sharif of Syria, who showed red cards to a Bulgarian and a Mexican in the day's other game.

Brizio and Sharif were not on the list either of the nine referees retained for the rest of the tournament, although FIFA gave no explanation for its choices.

The referees for the quarterfinals: Italy vs. Spain, Sándor Puhl of Hungary; Netherlands vs. Brazil, Rodrigo Badilla of Costa Rica; Bulgaria vs. Germany, José Joaquín Torres of Colombia; and Romania vs. Sweden, Philip Don of England.



Matthäus: Cut foot is recovering.

German Players Are Confident

Compiled by Our Staff From Dispatches

CHICAGO — Bulgaria will be a tough quarterfinal opponent for Germany, but the defending champion's players expect to clear the hurdle.

Speaking after Bulgaria's penalty shootout victory over Mexico, Germany's captain, Lothar Matthäus, said that "after our performance against Belgium I think we must be slight favorites."

Said striker Jürgen Klinsmann: "I think if we play with as much speed as against Belgium, we can beat anyone."

"But the single-elimination system is such that you have one bad day and you are on the first plane home."

The squad was reduced to 20 on Tuesday when midfielder Mario Basler went home to be with his wife, who is having problems with her pregnancy.

Matthäus, who said he was recovering from the cut on his right foot, added: "I expect nothing to stand in my way of playing. I have a bit of pain but I expect to train fully by Friday."

If he plays, he would tie the record number of appearances now held by Uwe Seeler of Germany, Władysław Żmuda of Poland and Diego Maradona, the Argentine star whose failed drug test prevented him from breaking the record.



Leonardo, left, in practice: "I would like for them to know how sorry I am."

Brazil's Leonardo 'Devastated' By Injury to U.S. Midfielder

By Randy Harvey
Los Angeles Times Service

SANTA CLARA, Calif. — Brazilian defender Leonardo was the villain of the match against the United States, but the remorseful man who spoke to reporters after practice a day later was bearing a message of anti-violence.

Leonardo, 24, said he expected FIFA, which was meeting late Wednesday, to suspend him from the rest of the tournament for throwing an elbow that fractured a bone in Tab Ramos's skull.

But Leonardo said that he was not as concerned about himself as he was about Ramos. Leonardo visited the U.S. midfielder for 15 minutes Monday night.

"I got from him all anybody could hope for," said Leonardo, who spoke with Ramos in English but made his remarks to reporters in his native Portuguese. "He not only accepted my apology, he wished me luck in my career."

"I am devastated by what happened. I watched the video later, and it looked intentional. It gives a horrible impression.

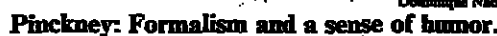
But I tell you from the depths of my heart that I had no intention of hurting him. He was holding me, and I wanted to get free. Three or four times, people were holding me. I was frustrated. But nothing justifies hitting another player."

"When I swung my arm, he was falling. If he hadn't been, I don't think my elbow would have hit him. It was the worst part of his face to hit. I didn't realize how badly I had hurt him until I saw the reaction of the other American players."

Mozart, Warsaw Style

Sutkowski says he has been able, by and large, to stanch defections. "Of course, I've lost a few singers," he said. "But mostly they come back. We are some sort of family. As in families, sometimes you have difficulties, you have problems. But we are together."

"With black writing, there's such an expectation that it be true," he says, "that sometimes the imaginative requirements aren't valued enough. You want to have the historical truth, because it sort of loses the point without it, and yet still have a story." Like his protagonist, Pinckney grew up in an upper-middle-class family in Indianapolis and moved to New York to attend Columbia.



At the end of 1987, Pinckney moved to Berlin, in search of the shabby, electrifying city of Isherwood's "Berlin Stories." It was in Berlin that Pinckney first worked with Robert Wilson. Shortly after arriving there, Pinckney wrote the scenario with Heiner Müller for Wilson's staging of "The Forest," an adaptation of the Gilgamesh legend, at the Freie Volksbühne in 1988.

"Youth has been celebrated so much since the '60s that not having it is a trauma now for a lot of people. A former teacher of mine reminded me of that line Elizabeth Tudor said: 'Old age came upon me suddenly, like a frost.'"

He paused, and his eyes twinkled. "So I'm thinking, 'Middle age comes upon one suddenly, like a traffic ticket.'"

Laura Winters is on the staff of The New Yorker magazine.

Barbara Walters and Diane Sawyer say male TV anchors are more competitive than female anchors. "If you're talking about elbows, you shouldn't be talking to the women, really," Sawyer said in the August issue of Vanity Fair. "Peter Jennings and Ted Koppel are far more competitive in their stories, in what they do, than the women." Walters said. "That's nonsense," Jennings snorted.

**INTERNATIONAL
CLASSIFIED**

SATURDAY										SUNDAY										All forecasts and data provided by Accu-Weather, Inc. 1997			
Europe and Middle East										Europe and Middle East													
Location	Weather	High Temp. °F	Low Temp. °F	Water Temp. °F	Wave Height (feet)	Wind Speed (mph)	Wind Temp. (°F)	Location	Weather	High Temp. °F	Low Temp. °F	Water Temp. °C	Wave Height (feet)	Wind Speed (mph)	Wind Temp. (°F)	Location	Weather	High Temp. °F	Low Temp. °F	Water Temp. °C	Wave Height (feet)	Wind Speed (mph)	Wind Temp. (°F)
Cannes	sunny	31/88	20/68	20/71	0-1	N	10-20	Cannes	sunny	31/88	21/78	23/78	0-1	NNW	12-22	Deauville	clouds and sun	24/75	14/57	15/59	0-1	SSW	12-25
Deauville	clouds and sun	24/75	14/57	15/59	0-1	SW	10-20	Deauville	sunny	25/77	15/58	18/61	0-1	N	SSW	12-25							
Madrid	sunny	30/86	20/66	24/75	0-1	N	15-25	Madrid	clouds and sun	30/86	20/66	23/73	0-1	NNW	15-30								
Malaga	sunny	33/91	23/73	29/71	0-1	SE	12-22	Malaga	sunny	32/89	23/73	23/73	0-1	S	12-25								
Capri	sunny	33/89	24/75	29/78	0-1	N	10-20	Capri	sunny	34/88	24/75	23/73	0-1	NE	15-25								
Capri	sunny	31/88	17/67	24/75	0-1	NE	10-20	Capri	sunny	30/85	19/68	23/71	0-1	NE	8-15								
Phaeas	sunny	32/89	23/73	24/75	0-1	NE	15-25	Phaeas	sunny	33/91	23/73	24/75	0-1	N	12-22								
Corfu	sunny	34/83	23/73	29/73	0-1	N	15-25	Corfu	clouds and sun	32/89	24/75	23/73	0-1	NE	15-25								
Brighton	clouds and sun	23/73	15/59	16/59	0-1	NE	10-20	Brighton	sunny	25/77	15/59	18/61	0-1	SW	15-25								
Ostend	sunny	23/73	14/57	15/59	0-1	WSW	12-25	Ostend	sunny	25/77	15/59	18/61	0-1	SW	10-20								
Scheveningen	clouds and sun	22/71	13/56	15/59	0-1	W	15-25	Scheveningen	sunny	23/78	14/57	15/59	0-1	WSW	12-25								
St. Tropez	clouds and sun	21/68	11/52	16/59	0-1	W	15-25	St. Tropez	sunny	24/75	14/57	15/59	0-1	WSW	12-25								
Tel Aviv	sunny	34/83	23/73	29/73	0-1	N	10-20	Tel Aviv	sunny	33/91	23/73	23/73	0-1	NW	12-22								
		30/86	23/73	25/77	1-2	NW	20-35			29/84	23/73	25/77	1-2	NW	20-40								
Caribbean and West Atlantic																							
Barbados	partly sunny	31/88	24/75	27/80	1-2	ESE	25-35	Barbados	showers	30/88	24/75	27/80	1-2	ENE	25-45								
Kingston	sunny	33/91	24/75	28/82	1-2	E	25-40	Kingston	sunny	33/91	24/75	28/82	1-2	E	25-45								
St. Thomas	clouds and sun	34/86	29/79	28/82	1-2	E	25-35	St. Thomas	partly sunny	35/95	29/79	28/82	1-2	E	25-35								
Hanalei	sunny	31/88	27/80	27/80	1-2	SE	18-30	Hanalei	sunny	31/88	27/80	27/80	1-2	SE	25-35								
Asia/Pacific																							
Peking	showers	30/89	25/77	30/88	1	SW	15-25	Penang	thunderstorms	30/89	24/75	30/88	1	SW	15-25								
Padua	sunny	33/91	24/75	30/84	1	SW	15-25	Padua	sunny	33/91	25/77	29/84	1	SW	15-25								
Bali	partly sunny	32/89	22/71	27/80	1	SE																	

AMR Calling Card service available in all countries. AMR's "WorldCom" Service - payphone country to country calling between more than 75 countries, including those displayed in bold above.

WorldCom's select countries of AMR's "Direct" rates plus medical charges based on the country you are calling.

AMR's "Direct" Service is available from all the countries listed above.

AMR's Language Line® Services offer over-the-phone interpretation in over 140 languages.

*Public phones require deposit of coin or phone card for dial tone.

*Public phones require deposit of coin or phone card for dial tone. Dial 011-800-0111 from major Western lands.